



Support your local merchants

**AGENDA
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, MARCH 21, 2018 at 6:30 P.M.**

If you want to speak ON ANY ITEM ON THE AGENDA, PLEASE complete the Request to Speak Form

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order

2. Roll Call. Council Members Jackie Baker, Buck Buchanan, Dee Jenkins, Brad Gordon, Robin Whatley; Vice Mayor Jessie Murdock; and Mayor Charles German.

3. Pledge of Allegiance

4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

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a) Approval of the Minutes:

- 1) Council Hears P&Z Matters – February 28, 2018
- 2) Special Budget Session – March 2, 2018
- 3) Regular Session – March 7, 2018

b) Set Next Meeting, Date and Time:

- 1) Wednesday, March 28, 2018 at 6:30 p.m. – Council Hears P&Z Matters
- 2) Wednesday, April 4, 2018 at 6:30 p.m. - Regular Session
- 3) Wednesday, April 11, 2018 at 5:30 p.m. – Work Session
- 4) Friday, April 13, 2018 at 8:00 a.m. – Special Budget Session
- 5) Wednesday, April 18, 2018 at 6:30 p.m. – Regular Session
- 6) Friday, April 20, 2018 at 8:00 a.m. – Special Budget Session

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c) Possible award of Agreement #18-125, in the amount of \$2,067,863 to Earth Resources Corporation, for the construction of Phase I Camp Verde Sports Complex, drainage and infrastructure improvements. [Staff Resources: Ron Long] *Note: Mayor Charles German has filed a conflict of Interest Disclosure Memorandum with the Town Clerk, pursuant to ARS §38.501 to 511 and will not discuss, vote or otherwise participate in this item.*

5. Special Announcements and presentations.

6. Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.) Residents are encouraged to comment about

any matter NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to A.R.S. §38-431.01(H))

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7. Business. Legal action can be taken.

7.1. Public Hearing on proposed Wastewater Rate Increase. [Staff Resource: Michael Showers, Troy Odell]

7.1.1. Staff Report

7.1.2. Open Public Hearing

7.1.3. Close Public Hearing

7.1.4. Council Discussion

23 **7.2. Discussion, consideration and possible approval of recommended rates from the 2018 Town of Camp Verde Wastewater Rate Study by Resolution 2018-1001, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County Arizona, Adopting Fees for Town Wastewater Services for Fiscal Years 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22, and superseding the Wastewater Fee portion of Resolution 2017-979.** [Staff Resource: Mike Showers]

97 **7.3. Discussion and possible approval of Parks & Recreation Division Facility Use & Fee Standards Policy.** [Staff Resource: Michael Marshall]

101 **7.4. Discussion and possible approval of new road names for park entrance road and road to Waste Water Treatment Plant (WWTP).** [Staff Resource: Michael Marshall]

103 **7.5. Request for authorization for the Marshal's Office to apply for grant funding from the Governor's Office of Highway Safety (GOHS), Arizona Community Foundation (ACF), and the Department of Homeland Security (DHS) to pay for equipment and personnel expenses to be incurred in FY 2018-2019.** [Staff Resource: Russ Martin, Brian Armstrong]

8. Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

9. Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The Committees are: Camp Verde Schools Education Foundation, Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

10. Manager/Staff Report Individual members of the Staff may provide brief summaries

of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

11. Adjournment

Posted by: _____

Date/Time: _____

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk at 928-554-0021

38-431.01 Meetings shall be open to the public

A. All meetings of any public body shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. All Legal Action of public bodies shall occur during a public meeting.

- Bashas's Community Board
- Town Hall
- Website

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DRAFT MINUTES
TOWN OF CAMP VERDE
COUNCIL HEARS PLANNING AND ZONING MATTERS
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, FEBRUARY 28, 2018 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order

Mayor German called the meeting to order at 6:30 p.m.

2. Roll Call

Mayor Charles German, Vice Mayor Jessie Murdock, Councilor Dee Jenkins, Councilor Brad Gordon, Councilor Robin Whatley, and Councilor Jackie Baker are present. Councilor Buck Buchanan was absent.

Also Present

Town Manager Russ Martin, Town Planner Melinda Lee, and Recording Secretary Jennifer Reed.

3. Pledge of Allegiance

Mayor German led the Pledge.

4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) Approval of the Minutes: None

b) Set Next Meeting, Date and Time:

- 1) Friday, March 2, 2018 at 8:00 a.m. – Budget – Day 1 of CIP Development
- 2) Wednesday, March 7, 2018 at 6:30 p.m. - Regular Session
- 3) Friday, March 9, 2018 at 8:00 a.m. – Budget – Day 2 of CIP Development
- 4) Wednesday, March 14, 2018 at 5:30 p.m. – Work Session
- 5) Wednesday, March 21, 2018 at 6:30 p.m. – Regular Session
- 6) Wednesday, March 28, 2018 at 6:30 p.m. – Council Hears P&Z Matters

Motion made by Councilor Baker to approve the consent agenda as presented. Second was made by Councilor Jenkins. **Motion** carried unanimously.

5. Special Announcements and presentations.

None

6. Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.) Residents are encouraged to comment about any matter NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body,

may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to ARS §38-431.01(H))

Cheryl Wischmeyer- Spoke on comments made to council at a previous meeting by her and other neighbors of the Town's Sports Complex property regarding the "park buffer", and a conversation she had with Mayor German at his home recently regarding the buffer. She handed papers to Mayor German stating it was formal service on a lawsuit against him, personally, and the hearing is scheduled for March 9th.

7. Business. Legal action can be taken.

7.1. Ordinance 2018-A432, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona for a Zoning Map Change from R1L-70 (Residential: Single Family Limited, 70,000 Square-Foot Minimum Lot Size) to C2-PAD (Commercial: General Sales & Services, Planned Area Development). The properties consist of approximately 67 acres located Northwest of the I-17 and State Route 260 Interchange including parcels 403-21-014K, 403-21-014L, 403-21-250C, 403-21-014F, 403-21-014M, 403-21-021E, 403-22-021, and 403-22-018C; and providing that this ordinance shall be effective thirty (30) days after its passage and approval according to law. [Staff Resource: Carmen Howard]

Town Planner Melinda Lee stated there is an application from Red Moon Development to develop an RV Park on a property located along Interstate-17 & Highway 260. She pointed out one change in the ordinance, Section 1, B. The date should read February 8th and not January 8th. This RV Park will be on 67 acres, with 440 spaces. Hwy 260 and I-17 will have quick access for travelers. They are requesting the zone change from R-1L to C2 Zoning, which will be more appropriate for transitional use. This will allow them to have residential and commercial use for the property. This park will have some great amenities and be a nice addition to the community.

Krishan Ginige SEC (Southwest Environmental Consultants) was introduced to the Council. He is the Design Engineer for the project. Mr. Ginige would like to point out that they are encouraging bigger RV spaces, which will attract high-end RV'ers. The site design will show the amenities when it is finished.

Councilor Whatley asked what kind of landscaping is planned. Mr. Ginige explained they are still developing the site plan, but knows the irrigation rights will be used. He will have more information when the design details are created.

Councilor Gordon stated that with the irrigation rights, the new roads that will be put in, which won't be irrigated. He asked if they are considering severing the rights not being used and transferring those to the Town. Mr. Ginige is aware of the situation and is in the process of researching what the options are.

Councilor Jenkins asked if the single slots are pull-through spaces. Mr. Ginige said they are. They are still working on the orientation of the project as to how everything will be laid out. They will have a better idea after completing the design portion of the project.

Councilor Baker asked when the work will begin if they receive approval. Mr. Ginige

stated the developer would like to start immediately and do it all at once and not phase it out. They anticipate June or July. Councilor Baker thinks this will be the perfect use for the property.

Motion was made by Councilor Murdock to approve Ordinance 2018-A432, of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona as presented with the changes noted in Section 1B. Second was made by Councilor Baker. **Motion** carried unanimously.

8. Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

None

9. Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Baker attended the Homeless Coalition Meeting. They are moving along and working on the budget. She also attended the Grand Opening of the new Cliff Castle Hotel. She said it is a beautiful hotel.

Councilor Gordon also attended the Homeless Coalition Meeting. He would like the representative from Open Door to come and speak at a Council Meeting. He also attended the Intergovernmental Meeting.

Councilor Murdock attended the CVBA Meeting. She said it was well attended.

Councilor Jenkins attended the Grand Opening of the new Cliff Castle Hotel. She enjoyed herself and said the pool area is gorgeous.

Councilor Whatley attended the Grand Opening of the new Cliff Castle Hotel. She said it is "top notch" and well done. She also attended the Chamber Mixer and Coffee with a Cop.

Mayor German attended the Grand Opening of the new Cliff Castle Hotel and a Kiwanians Meeting. He met with Northern AZ Healthcare and said there is now an open line of communications with the town staff. He would like to continue to meet on a quarterly basis.

10. Manager/Staff Report *Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.*

Town Manager said there is nothing to report at this time except the CVMO Awards will be held Saturday, March 3, 2018, 5:30pm at the Library.

11. Adjournment

Mayor adjourned the meeting at 7:00 p.m.

Mayor Charles German

Attest: Town Clerk Judy Morgan

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Council Hears Planning and Zoning Matters of the Town Council of Camp Verde, Arizona, held on February 28, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2018.

Judy Morgan, Town Clerk

DRAFT



Support your local merchants

**TOWN OF CAMP VERDE MAYOR AND COMMON COUNCIL
SPECIAL SESSION – BUDGET
(CIP DEVELOPMENT DAY 1)**

Friday, March 2, 2018, 8:00 A.M.

**COUNCIL SPECIAL SESSION
473 S. MAIN STREET, ROOM #106**

**COUNCIL CHAMBERS, TOWN HALL
CAMP VERDE, ARIZONA**

DRAFT MINUTES

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order.

Mayor German called the meeting to order at 8:00 a.m.

2. Roll Call.

Mayor Charles German, Vice Mayor Jessie Murdock, Council Members Jackie Baker, Dee Jenkins, Brad Gordon and Robin Whatley were present. Council Member Buck Buchanan was absent.

Also Present: Town Manager Russ Martin, Town Clerk Judy Morgan, Finance Director Mike Showers, Library Director Kathy Hellman, Risk Manager Carol Brown, Public Works Director Ron Long, Maintenance Supervisor Mike Dumas, Parks and Recreation Manager Mike Marshall, Street Supervisor Stacy Perry, Deputy Public Works Director (Wastewater) Troy O'Dell, Economic Development Director Steve Ayres, Human Resources Specialist Barbara Bridge, Acting Marshal Brian Armstrong and Recording Secretary Lynn Riordan.

3. Pledge of Allegiance.

4. Special Session for FY2018-19 Budget Deliberation – Day 1 of CIP Development. Legal action can be taken. Council deliberation and possible action to modify Preliminary Budget content.

4.1. Discussion between Council and the Finance Director and various department representatives regarding the Town of Camp Verde Capital Improvement Plan for Fiscal Year 2019 Budget. [Staff Resource: Michael Showers]

CIP Development: Finance Director Mike Showers addressed the Mayor and Common Council, providing a handout/binder that contained an overview of the current CIP strategic plan, current and proposed budget and projects, and proposed revenue and debt. Town Manager Russ Martin advised he would prepare a comprehensive package that contains all CIP requests before presenting a proposed budget. A copy of the Fiscal Year 2018-19 CIP Packet is available for public view at the Clerk's Office.

Economic Development. Steve Ayres provided a handout outlining four proposed CIP projects 1) Wayfinding Signage – two phase - includes 16 signs along Hwy 260 with the final design to be submitted to ADOT; 2) Industrial Drive Round-About Landscaping per the General Plan; 3) Main Street and Finnie Flat Entry Monuments – including irrigation and upgrades; 4) I-17 Visitor Center – requesting direction from Council regarding potential sites for the visitor center.

Council Member Robin Whatley requested additional signage be considered for Rezzonico Park particularly posting potential hazards and/or warnings for river users.

Library Director Kathy Hellman proposed the following CIP Projects 1) Replace Library's front entrance door with auto-sliding door – NOTE: Ms. Hellman has applied for grant funding for this item; 2) Tint or sunshades for 8 sections of skylights over lobby and sunshades for remaining windows and doors; 3) Mailbox next to the book return; 4) Lighting for north wall of adult stacks.

Council Member Robin Whatley stated support for replacement of the front door, indicating safety and potential utility savings. Council Member Whatley thanked Ms. Hellman for applying for grant funding to reduce Town General Fund or CIP expenditures.

Finance Director Mike Showers recommended investing in software for all Wastewater Accounting advising the new proposed software is the same company and is compatible with other Town software programs, allows for smoother transition if the Town acquires water companies and will save time (labor) and provide accurate statistical and rate information.

Acting Marshal, Commander Brian Armstrong advised the Marshal's Office was in need of 1) upgrading the Records Room stating this item has been requested for many years and now the Marshal's Office is at capacity in the records room. Acting Marshal Armstrong requested this item be placed into CIP as a priority as the Marshal's Office must retain records pursuant to Arizona law; 2) Spillman records management modules for statistical reporting to comply with federal reporting requirements – this item can be delayed until 2019-20 and still be in compliance; 3) Enforcement vehicle replacement and upgrades – Three Year Plan – requesting 4 new patrol SUV vehicles and 1 Animal Control Officer (ACO) Truck in 2018-19, 3 new patrol SUV vehicles in 2019-20 and 2 new patrol SUV vehicles in 2020-21 (potential lease purchase package).

Town Manager Russ Martin requested the Council consider the request for Community Development 1) Two Year Plan to purchase or lease purchase three vehicles for Community Development and Administration – Mr. Martin requested Council consider purchasing a van, rather than an admin car, with the intent of conserving fuel/maintenance and scheduling use; 2) Scanner/plotter for large scale plans and drawings noting the Scanner/plotter would also be utilized by Public Works.

Public Works - Engineering: Ron Long presented priority road projects 1) Cherry Creek Crossing and 2) Roundabouts 4 (Altman Parkway) and 5 (Out of Africa) connector roads on Hwy 260/279. Discussion followed regarding priority if only one project could be completed. Mr. Long advised he is looking into possible funding sources; 3) Hollamon Street sidewalk improvements may be funded by CDBG grant if required construction-ready plans for curb, gutter and sidewalk improvements are submitted.

Public Works – Maintenance: Mike Dumas advised the 1) Community Kitchen Remodel project was in progress, approximate cost to completion is \$40,000; 2) Gym Roof – Public Works Building repairs and seal foam roof may provide 20 more years with the current roof and 3) Remodel of the men's public restrooms at the Administration Building (100) Town Hall facility noting the restrooms most likely have the original fixtures and flooring from date of construction and are not ADA compliant.

Public Works – Parks and Recreation: Mike Marshall advised the 1) Town Hall complex needed upgrading specifically Rooms 204 and 305 and the gym need flooring, Room 305 needs ceiling repairs and the weight room needs remodeling with windows and a bathroom; 2) Rezzonico Park upgrades are in progress, the ramada is complete, trails are in progress and completion of an ADA accessible walkway to the Library, pipe railing fence, outdoor podium style (exchangeable) information signage, and completion of landscaping are desired – all of which will benefit the public, visitors, Parks and Recreation and the Library; 3) Heritage Pool needs new sand filters – existing sand filters are old, undersized, and labor intensive - the new proposed filters will save labor and water.

Council Member Jenkins inquired if more ramadas were planned for Rezzonico Park. Mr. Marshall advised that Rezzonico Park was designed for day-use, natural environment setting with access to the Library and the river. An additional table or bench may be added near the river, and "The Old Guys" installed a telescope pad, but no additional ramadas are planned for this park.

Mayor German inquired about the pool roof. Mr. Dumas advised the pool roof was in progress and being completed within the current budget year.

Public Works – Streets: Stacy Perry advised the Public Works department is staying on track with the plan for 1) chip sealing existing roads and requests funding to stay on track with the Strategic Plan (5-year rotation plan); two areas have been completed; 2) An awning at the Public Works facility is needed to protect vehicles and equipment from sun damage; and 3) Public Works is in need of new equipment and vehicles - an equipment list including a street sweeper, backhoe, tractor trailer, four $\frac{3}{4}$ trucks with varying accessories, mowers, RTV and a utility tractor was provided.

Public Works – Wastewater: Troy O'Dell advised design and installation of Lift Station #2N (Northside extension – Dickerson) is critical at this time – property has been donated and construction costs will be recovered by connection and use fees; 2) Wastewater also needs a replacement vehicle for the S-10 pickup and they are requesting a full-sized $\frac{1}{2}$ ton pickup.

Town Manager Russ Martin addressed the Mayor and Council advising the Town completed a salary rate study 10 years ago – there are many new positions and different levels of staff, and job descriptions are changing with technology. Mr. Martin is requesting Council give direction on whether Council would like to consider a salary schedule for potential new levels of staff with job descriptions or continue with what we have and address each level of staff with new positions as they occur. Mr. Martin advised a large percentage of the budget is the cost of employees – 10 years ago the Town competed for employees at 90% of the rate study (comparable wages). Mr. Martin requested the Council determine if they want to continue to compete at 90% or if they wish to compete at 100% advising the increase will affect the budget. Mr. Martin provided a hand-out for comparative wages in Towns similar in size relative to our area. Mr. Martin advised that

bringing wages up to a competitive rate of 100% may cost the Town approximately \$550,000.00.

Mayor German advised that the Town’s employees have done an incredible job and have stayed loyal even when times were tight and increases were not available.

Council Member Whatley suggested a 90% competitive salary adjustment across the board in every department this year and revisit potential increases and salary adjustment by 2 to 2.5% each year until the Town reaches 100% competitive salaries. Council Member Jenkins concurred, stating if revenues and funding were available the increases could be accelerated. Council Member Gordon preferred not to have each Department have to come before the Council with every hire, new position, job description and pay adjustment, but to have department heads prepare job description within their department, including potential positions with salary ranges, and have them brought before Council in batches, rather than one at a time. Mayor German agreed, requesting current and potential positions needed within the next 2 to 3 years now, with wage comparisons now. Vice Mayor Murdock concurred.

Town Manager Russ Martin advised he would provide Council with a comprehensive plan for comparative wages at 90% this year, with a plan to increase by 2% or more per year until the Town is competing at 100%.

Mr. Martin advised the 8AM Special Budget Session scheduled on March 9, 2018 had been cancelled as it conflicted with another obligation, however, Mr. Martin requested an Executive Session be set at 5:00 p.m. before the next Regular Session.

- 5. Mayor German adjourned the Work Session at 10:32 a.m.

Charles German, Mayor

Judy Morgan, Town Clerk

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Work Session of the Town Council of Camp Verde, Arizona, held on March 2, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2018.

Judy Morgan, Town Clerk



Support your local merchants

DRAFT MINUTES
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S. MAIN STREET, SUITE 106
WEDNESDAY, MARCH 7, 2018 at 6:30 P.M.

1. Call to Order

Mayor German called the meeting to order at 6:30 pm.

- 2. Roll Call.** Council Members Jackie Baker, Buck Buchanan, Dee Jenkins, Brad Gordon, Robin Whatley; Vice Mayor Jessie Murdock; and Mayor Charles German were present.

Also Present: Town Manager Russ Martin, Town Clerk Judy Morgan, Commander Brian Armstrong, Library Director Kathy Hellman and Recording Secretary Marie Moore.

3. Pledge of Allegiance

Mayor German led the Pledge of Allegiance.

- 4. Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) Approval of the Minutes:

- 1) Work Session – February 14, 2018
- 2) Regular Session – February 21, 2018

b) Set Next Meeting, Date and Time:

- 1) Friday, March 9, 2018 at 8:00 a.m. – Budget - Day 2 of CIP Development (cancelled)
- 2) Wednesday, March 14, 2018 at 5:30 p.m. – Work Session
- 3) Wednesday, March 21, 2018 at 6:30 p.m. – Regular Session
- 4) Wednesday, March 28, 2018 at 6:30 p.m. – Council Hears P&Z Matters
- 5) Wednesday, April 4, 2018 at 6:30 p.m. - Regular Session

On a motion by Councilor Gordon, seconded by Councilor Baker, Council unanimously passed the Consent Agenda with the correction of b1 cancelled.

5. Special Announcements and presentations.

No special announcements or presentations were heard.

- 6. Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.)**

Bruce George read letter to Council regarding the buffer disagreement with the new

community Sports Complex Park. Mr. George indicated that he lives in the neighborhood where construction is taking place and feels that now is the time to develop and would like to see everyone think of the greater good of the community and stop being petty. Mr. George spoke of the increased home values that the completion of the park will bring to the surrounding homes and also expressed that it is his hope that once the current lawsuit is dismissed, the Plaintiff's will be required to pay all litigation costs as well as attorney fees for the Town.

7. Business. Legal action can be taken.

7.1. Public Hearing followed by discussion, consideration and possible approval of a Class 13 (In-State Farm Winery) Liquor License Application for Merkin Enterprises Inc./Merkin Vineyards located at 4626 Old Highway 279, Camp Verde, AZ. [Staff Resource: Judy Morgan]

7.1.1. Staff Comments

Town Clerk, Judy Morgan informed Council that the Town received no comments nor complaints and the application was posted for the required 20-day period.

7.1.2. Public Hearing Open

The Public Hearing was opened at 6:36 p.m. No comments were made to Council.

7.1.3. Public Hearing Closed

Mayor German declared the Public Hearing Closed at 6:36 p.m.

7.1.4. Council Discussion

On a motion by Councilor Baker, seconded by Councilor Gordon, Council unanimously approved a Class 13 (In-State Farm Winery) Liquor License Application for Merkin Enterprises Inc./Merkin Vineyards located at 4626 Old Highway 279, Camp Verde, AZ.

7.2. Public Hearing followed by discussion, consideration and possible approval of a Class 13 (In-State Farm Winery) Liquor License Application for Four Eight Wineworks, Inc./Four Eight Wineworks located at 4626 Old Highway 279, Camp Verde, AZ. [Staff Resource: Judy Morgan]

7.2.1. Staff Comments

Town Clerk, Judy Morgan informed Council that the Town received no comments nor complaints and the application was posted for the required 20-day period.

7.2.2. Public Hearing Open

The Public Hearing was opened at 6:37 p.m. No comments were made to Council.

7.2.3. Public Hearing Closed

Mayor German declared the Public Hearing Closed at 6:37 p.m.

7.2.4. Council Discussion

On a motion by Councilor Buchanan, seconded by Councilor Baker, Council unanimously approved a Class 13 (In-State Farm Winery) Liquor License Application for Four Eight Wineworks, Inc./Four Eight Wineworks located at 4626 Old Highway 279, Camp Verde, AZ.

7.3. Request for approval to amend the FY2018 Budget to take some current part-time employees in the library, records and maintenance to full-time requiring an additional \$32,000 in expenses this year. [Staff Resource: Russ Martin, Kathy Hellman, Brian Armstrong, Mike Dumas]

Town Manager Russ Martin explained to Council that the Town is well ahead of schedule with increased sales tax revenue and with the coverage of grant money, is confident that the budget can handle the transition and additional expenses associated with moving the indicated employees into a full-time position. Martin did express to Council that this will have an effect on the next fiscal year budget that they will need to take into consideration, as he does not want to offer a temporary full-time position to these employees, but a permanent full-time position.

Councilor Dee Jenkins questioned if the figures that were provided for the budget of next year are the current wage rates. Russ Martin indicated that they are conservative numbers based off of the current rates. Councilor Jenkins questioned the overall increase the Town would be facing and if the rate is increased, would the Town budget be able to handle it. Russ Martin expressed that the Town can handle the increase.

Mayor Charles German questioned if the Finance Department and Russ Martin were confident that the increase in revenue would be sustainable after the construction of Hwy 260 is complete. Russ Martin indicated that the increases in sales tax that are being collected are from new businesses, not an increase of current businesses, as well as an increase in RV parks that was not anticipated.

Councilor Gordon indicated that he has historically been skeptical and critical of the library but has been pleased with seeing the parking lot full all of the time and trusts Russ's management ability and how things will be handled if the revenue increase doesn't maintain.

On a motion by Councilor Baker, seconded by Councilor Gordon, Council unanimously approved to amend the FY2018 Budget to take some current part-time employees in the library, records and maintenance to full-time requiring an additional \$32,000 in expenses this year.

8. Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

None

9. Council Informational Reports.

Councilor Buchanan stated he was in an accident recently and commended the local Fire Department and Marshal's office for their assistance in the matter. Buchanan also stated he had family recently visit town that are in the construction industry and how impressed they were with how clean the Highway 260 Construction site is.

Councilor Jenkins commended Commander Armstrong on the awards ceremony at the Marshals office.

Councilor Baker expressed her appreciation and enjoyment of the awards ceremony as well. She agreed on the cleanliness of the Highway 260 construction site.

Councilor Gordon attended the archeology open house and expressed his appreciated for the art work displayed as well as praised Commander Armstrong for a great job at the awards ceremony.

Vice Mayor Murdock thanked the Marshal's office for their public service to the community and enjoyed the awards ceremony.

Mayor German indicated he enjoyed the awards ceremony as well.

10. Manager/Staff Report

Town Manager Russ Martin indicated that the Mayor will be attending a hearing on Friday, March 9th, 2018 at 9 a.m. in reference to the lawsuit to stop construction of the Sports Complex Park.

Martin also indicated that as of 3:00 p.m., Town Marshal, Nancy Gardner is on intent to terminate. Monday, March 12, 2018, will be the deadline to speak with her regarding the termination notice and or receive a resignation from her. Gardner has the opportunity to use a third party regarding the situation, which could extend the situation, but she will no longer be on paid leave after that point. All staff have been notified of the situation and the DPS investigation report is public record. Russ Martin firmly expressed that any employees named in the report be left alone regarding the situation.

11. Adjournment

The meeting adjourned at 6:55 p.m.

Mayor Charles German

Attest: Town Clerk Judy Morgan

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during Council Meeting of the Town Council of Camp Verde, Arizona, held on March 7, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2018.

Judy Morgan, Town Clerk



Agenda Item Submission Form – Section I

Meeting Date: March 21, 2018

- Consent Agenda* *Decision Agenda* *Executive Session Requested*
- Presentation Only* *Action/Presentation* *Special Session*

Requesting Department: Public Works

Staff Resource/Contact Person: Ron Long

Agenda Title (be exact): Possible award of Agreement #18-125, in the amount of \$2,067,863, to Earth Resources Corporation, for the construction of Phase I Camp Verde Sports Complex, drainage and infrastructure improvements.

Attachments: Bid Posting – 1 Page
Construction Agreement - 4 Pages

Estimated Presentation Time:

Estimated Discussion Time:

Reviews Completed by:

- Department Head:** Ron Long,
- Town Attorney** Agreement reviewed and approved as attached by William Sims

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund: The current budget for the Sports Complex, account #03-000-20-861110, has a balance of \$3,360,759

Fiscal Impact:
Comments:

Background Information: Clearing and grubbing of the Sports Complex site has been completed by Town Staff. With the award of this Agreement, the drainage and infrastructure improvements will be constructed in preparation of Phase II improvements.

Recommended Action (Motion): (Staff recommends) awarding Agreement #18-125; Phase I Grading and Drainage improvements for the Camp Verde Sports Complex to **Earth Resources Corporation** in the amount of Two Million, Sixty-Seven Thousand, Eight Hundred Sixty-Three Dollars (2,067,863).

TOWN OF CAMP VERDE



BID POSTING

**Request for Bids: Phase I Sports Complex
Insert Project # 18-125**

**BID OPENING
03/14/18 3:05 p.m.**

Present: Ron Long, Public Works Director, Deborah Ranney Public Works Analyst

BIDS RECEIVED

COMPANY	ADDRESS	TOTAL BID
McDonald Bros.	1535 S Quarterhorse Camp Verde AZ 86322	\$ 2,800,331.38
Asphalt Paving & Supply	2425 N. Glassford Hill Rd Prescott Valley, AZ 86314	\$ 3,105,310.53
J Banicki Construction Inc.	4720 E Cotton Gin Loop #240 Phoenix, AZ 85016	\$ 3,257,204
Low Mountain Construction	4105 N 20 th St. #205 Phoenix, AZ 85016	\$2,287,227.72
Earth Resources Corp.	P.O. Box 1420 Dewey, AZ 86327	\$ 2,067,863.00
Kinney Construction LLC	121 E Birch Ave #500 Flagstaff, AZ 86001	\$ 2,966,918
CNB Excavating	12600 E Century Lane Dewey, AZ 86327	\$3,294,405
Fann Contracting, Inc	P.O. Box 4356 Prescott, AZ 86302	\$2,909,954.50
Rummel Construction, Inc	7520 E Adobe Dr Scottsdale, AZ 85255	\$ 2,981,493.35

Posted By: *D. Ranney* Date/Time *03-14-18 4:00 p.m.*

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

Town of Camp Verde - Public Works Department

Camp Verde Sports Complex – Phase I

18-125

AGREEMENT

THIS AGREEMENT, made and entered into this 21st day of March, 2018, by and between the Town of Camp Verde, Yavapai County, State of Arizona (herein called the “**TOWN**”) acting herein by the **Mayor, Charles German**, and Common Council, party of the first part, and **Earth Resources Corporation** hereinafter called the “**CONTRACTOR**”) party of the second part.

WITNESSETH THAT:

The Town of Camp Verde desires to engage the CONTRACTOR to render construction services for the Camp Verde Sport Complex: Grading and Drainage Phase I, located in Camp Verde, Arizona - Bid NO: 18-125

1. Work

CONTRACTOR shall complete all work as specified in the bid documents and set forth in the Plan Set, Specifications and General Provisions attached, or incorporated in this Agreement. CONTRACTOR shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. CONTRACTOR shall be responsible for, and in full control of, the work of all such personnel.

2. Access to Information

It is agreed that all information, data reports, records as exist, available and necessary for carrying out of the work outlined in the Plan Set, Specifications and General Provisions have been furnished to the CONTRACTOR by the TOWN and its agencies. CONTRACTOR hereby acknowledges receipt of same. The TOWN and its agencies will cooperate with the CONTRACTOR in every way possible to facilitate the performance of the work described herein.

3. Project Manager - Administration

The TOWN has designated the Public Works Director, Ron Long P.E., as Project Administrator and Manager; Project Management will be facilitated by Ron Long and Kimley Horn as the Project Engineer. The Project Manager(s) shall be empowered to perform all administrative functions as required for management of the project.

4. Agreement Times

The work will be completed and ready for final payment within 120 calendar days of the date in the Notice to Proceed. The CONTRACTOR has submitted a Project schedule to the TOWN Project Manager with their sealed bid.

5. Compensation

The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed: \$2,067,863.00 (Two Million, Sixty-Seven Thousand, Eight Hundred Sixty-Three Dollars) Originals of the Applications for Payment are to be submitted to:

**The Town of Camp Verde
Attention: Public Works
395 S. Main Street
Camp Verde, AZ 86322**

Project Manager shall verify completion of all work as outlined in Plan Set, General Provisions, Special Provisions. Payment under this Agreement shall be made as outlined on page 5, “Payment”.

6. Termination of Agreement

- a. If, for any reason, the CONTRACTOR shall fail to fulfill in a timely and proper manner his/her obligations under this Agreement, or if the CONTRACTOR shall violate any of the covenants, agreements, or stipulations of this Agreement, the TOWN shall thereupon have the right to terminate the Agreement by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof. In such event, all finished or unfinished site or structural improvements as well as all materials or equipment acquired or stored by the CONTRACTOR under this Agreement shall, at the option of the TOWN, become the TOWN's property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the TOWN for damages sustained by the TOWN by virtue of any breach of the Agreement by the CONTRACTOR, and the TOWN may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due the TOWN from the CONTRACTOR is determined.

- b. The TOWN may terminate this Agreement at any time by giving at least ten (10) days' notice in writing to the CONTRACTOR. If the Agreement is terminated by the TOWN as provided herein, the CONTRACTOR will be paid for as provided in section "Payment", page 5; the time expended and expenses incurred up to the termination date. If this Agreement is terminated due to the fault of the CONTRACTOR, Paragraph 7.a hereof relative to termination shall apply.
- c. This Agreement may be terminated as per A.R.S. §38-511, Conflict of Interest.

7. Miscellaneous Provisions

- a. This Agreement shall be construed under and in accordance with the laws of the State of Arizona, and all obligations of the parties created hereunder are performable in Camp Verde, Yavapai County, Arizona.
- b. This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.

In any case one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable said holding shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision and never been contained herein.

- c. Action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court including the appellate court, may adjudge reasonable as attorney fees.
- d. This Agreement represents the entire understanding of the TOWN and CONTRACTOR as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect This Agreement may be amended only by mutual agreement of the parties hereto in writing to be attached to and incorporated into this Agreement.

8. Project Familiarity and Identification of Conflicts

In order to induce the TOWN to enter into this Agreement, CONTRACTOR makes the following representation:

- a. CONTRACTOR has familiarized himself/herself with the nature and extent of the Agreement documents, work, site, locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance, or furnishing of the work.
- b. CONTRACTOR has given the Project Manager a written notice of all conflicts, errors, or discrepancies discovered in the Agreement documents and the written resolution thereof by the Project Manager is acceptable to the CONTRACTOR.
- c. CONTRACTOR has examined and carefully studied the Agreement documents and other related data identified in the bidding documents.
- d. CONTRACTOR is familiar with and satisfied as to all federal, state and local laws and regulations that may affect cost, progress, performance and furnishing of the work.

9. Insurance

The CONTRACTOR shall procure and maintain, at CONTRACTOR's sole expense, until completion of the Agreement, coverage's as specified in "General Provisions" pages 8 - 9

Certificate(s) of Insurance naming the Town of Camp Verde as Additional Insured verifying the minimum coverage's specified in shall be delivered to the Town prior to issuance of the Notice to Proceed:

10. Indemnity

CONTRACTOR agrees, to the fullest extent permitted by law, to indemnify, defend, save and hold harmless the Town of Camp Verde, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees (hereinafter referred to as "Indemnities") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of CONTRACTOR or any of its owners, officers, directors, agents, employees or sub-CONTRACTORS. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such CONTRACTOR to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except to the extent Claims arise from the negligent or willful acts or omissions of the Indemnitee, be indemnified by CONTRACTOR from and against any and all claims. It is agreed that CONTRACTOR will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Agreement, the CONTRACTOR agrees to waive all rights of subrogation against the Town of Camp Verde, its officers, officials, agents and employees for losses arising from the work performed by the CONTRACTOR for the TOWN.

11. Agreement Documents

The Agreement documents which comprise the entire Agreement between the TOWN and the CONTRACTOR concerning the work consist of the following documents. In the event of conflicts between or among the following documents, the documents shall be interpreted in the following order: This form of Agreement, the Special Provisions, the General Provisions, the Plan Set, Specifications and Special Notes, the Bid Document and the Call for Bids:

- a. This Agreement including:
 - i. Call for Bids
 - ii. General Information
 - iii. General Provisions
 - iv. Special Provisions
 - v. Bid Documents
 - vi. Plan Set, Specifications, Special Notes
- b. Bid, Performance and Payment Bonds: Each Bidder shall provide a Bid bond in the amount of 10% of the Bid Amount. The bidder to whom an award is made will be required to execute a Performance and a Payment Bond, each in 100 percent of the amount of the bid.
- c. Certificate(s) of Insurance – General Liability, Worker's Comp., Builder's Risk
- d. Notice of Award
- f. Notice to Proceed
- g. All bidding documents

IN WITNESSETH HEREOF, the parties have hereunto set their hands and seals.

Town of Camp Verde

Approved as to Form:

Town Attorney

Mayor, Charles German

Attest:

Town Clerk, Judy Morgan

CONTRACTOR:

Name/Title



Agenda Item Submission Form – Section I

Meeting Date: March 21, 2018

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Finance **Staff Resource/Contact Person:** Mike Showers

Agenda Title (be exact): Discussion, consideration & possible approval of recommended rates from the 2018 Town of Camp Verde Wastewater Rate Study, by Resolution 2018-1001, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting fees for Town Wastewater services for Fiscal Year 2017-18, 2018-19, 2019-20, 2020-21, 2021-22; and superseding the Wastewater Fee portion of Resolution 2017-979.

List Attached Documents: 1) Resolution 2018-1001, 2) 2018 Town of Camp Verde Wastewater Rate Study 3) Study Tables ES-5 & ES-6, 4) Project Sheet

Estimated Presentation Time: 5 mins

Estimated Discussion Time: 15 mins

Reviews Completed by: Town Manager Russ Martin, Finance Director Mike Showers,

Department Head: Town Manager, Russ Martin

Town Attorney: Throughout the process from the start of setting this hearing date and including the application for Water/Wastewater Infrastructure Finance Authority (WIFA) funds Mr. Sims has been involved and edited the numerous documents including the Resolution up for consideration.

Finance Review: Budgeted Unbudgeted N/A

Fiscal Impact: N/A

Comments:

Background Information: Per Resolution 2018-1001, "Fees for wastewater services as set forth in the "Study" tables ES-5 & ES-6 are hereby adopted with the first residential and commercial increase effective May 1, 2018. Subsequently, rates will increase on January 1st of each year in 2019, 2020, 2021 and 2022 as per the above referenced tables in the Study."

During Town Council discussions about projects, which have been part of the Plant's current need to operate in an efficient manner through improvements to the original design, staff presented these projects for consideration. These projects will put the Plant in an efficient state for anticipated growth and will fulfill the original intent of the design through doubling our current daily usage. This has required redesign of some aspects of the plan, and when complete should eliminate occasional effluent violations that are placed (safely) into lined ponds.

The projects included have been funded for a loan in February from WIFA. This includes a \$1,000,000 principal forgiveness (grant) to complete these projects. This, along with the previous completion of WIFA funds currently under construction, will position the Plant for operational needs for a decade or better, with limited maintenance upgrades currently in this project.

Fees will be increasing per the attached summary. However, in comparison the only rates currently less than Camp Verde's proposed rate change series are in Cottonwood. Jerome, Clarkdale and Sedona are already higher than where we will be, based on the increases recommended in this 4th year plan. It would be our hope that future rate studies would include a flow component to more accurately calculate the resident impact and be more in line with their direct impact. Until we have flow information this is impossible to do. It is also important to note that some may see even more of an increase if they currently have more than average fixture counts (generally in larger homes) as the previous policy was limited to \$50/month residential rate. This would be eliminated with adoption and true per-fixture rates would be charged starting May 1st.

Finally, the Wastewater Fund is kept separately by the Town, funded separately by rates and tracked separately from the other funds, as required by law. As I know there is always concern for equity and fairness it is important to note that currently no administration fee has been placed on the fund and its operational budget, which should be considered in this year's budget moving forward. This means that current items such as, the time much of the administrative work, management (Town and Department), risk management, human resources, all finance (billing/payables, etc.) as well as other Town services do not draw from the Wastewater Fund Operations. This year we should look at a more equitable solution and consider a percentage for expensing these items fairly to all residents. Additionally, the Town continues to pay annually as part of the general taxation/general fund for a portion of the outstanding debt (118K annually), while also working to expand (lines along Hwy 260) with Town resources without expensing these costs to operations or at the expense of any of the capital projects currently in this or other funding projects.

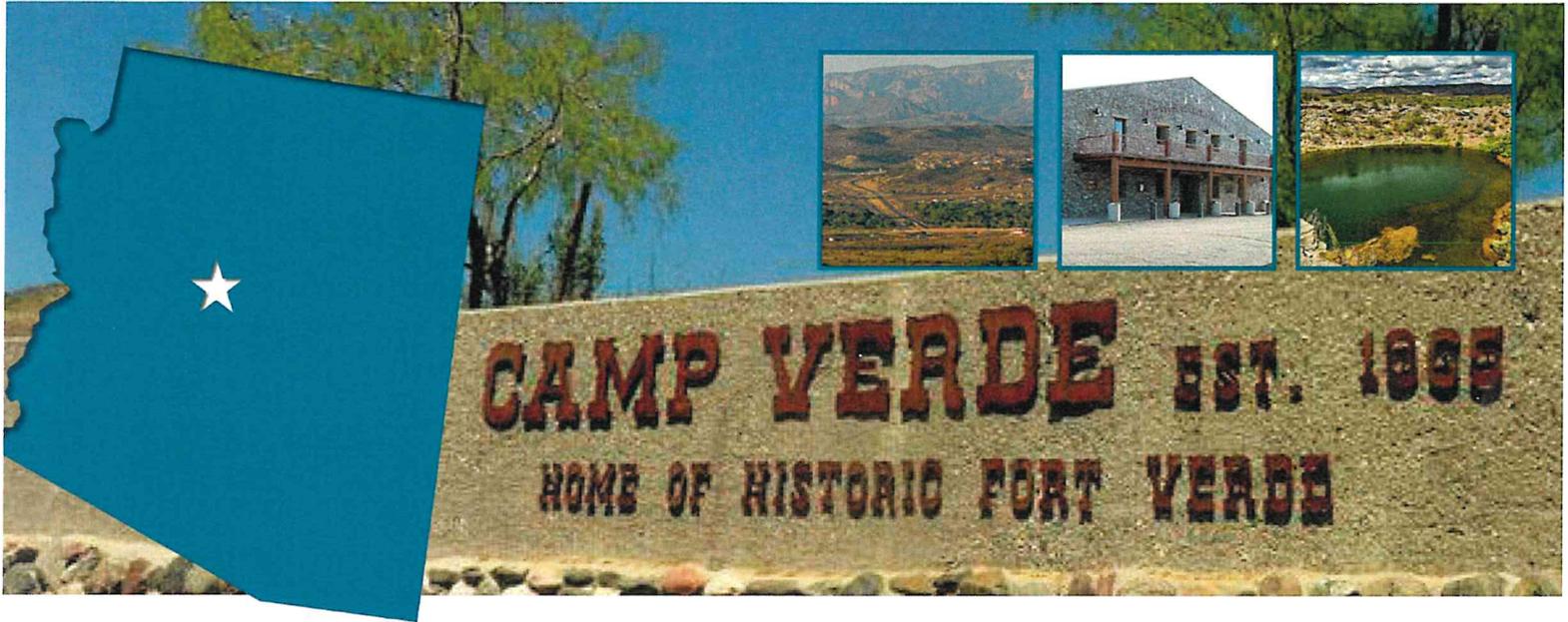
Recommended Action (Motion): Move to approve Resolution 2018-1001, A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA, ADOPTING FEES FOR TOWN WASTEWATER SERVICES FOR FISCAL YEARS 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22

Instructions to the Clerk: obtain applicable signatures if resolution is approved.



2018

TOWN OF CAMP VERDE



WASTEWATER RATE STUDY



AND



FINANCIAL PLAN





2018 WASTEWATER RATE STUDY AND FINANCIAL PLAN

January 2018

DRAFT

Prepared by:



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Plano, Texas 75024
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www.willdan.com

Dan V. Jackson, Vice President

**TOWN OF CAMP VERDE, ARIZONA
2018 WASTEWATER RATE STUDY
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Appendix A – Wastewater Rate Model

Acknowledgements

During the course of this rate study, several Town of Camp Verde employees and consultants expended considerable time and effort in assisting the project team. These employees and consultants included the Mayor and Council, Mr. Russ Martin, Mr. Mike Showers, as well as Mr. Mark Reader, Managing Director, Stifel, Nicolaus & Company and Mr. Michael Cafiso of Greenberg Traurig. The project team owes a debt of gratitude to the hard work, dedication and professionalism of these individuals, without whom this project would not have been successfully completed.

The project team has relied upon the extensive data supplied by the Town of Camp Verde. Thus, the integrity of the study is largely dependent upon the accuracy of this financial and customer data. Every effort has been made by the project team to validate and confirm the information contained herein prior to the preparation of the final study documents. **This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances.** These represent forecasts based on a series of assumptions about future behavior, and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions. The cash flow projections and debt service coverage calculations are not intended to present overall financial positions, results of operations, and/or cash flows for the periods indicated, which is in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants.

Executive Summary

Executive Summary

Background



In June 2017, the Town of Camp Verde, Arizona (the “Town”) engaged **Economists.com**, now a division of **Willdan Financial Services**, to conduct a wastewater rate study and long-term financial plan. The Town was interested in developing an updated comprehensive wastewater rate plan for FY 2018 and beyond. The objective is to develop a long-term rate plan that will enable the Town to recover sufficient funds to meet operating expenses, capital outlays, and debt service and coverage requirements, while at the same time minimizing the impact on ratepayers.

In 2013 the Town of Camp Verde acquired its wastewater system from the Camp Verde Sanitary District (“District”). The District still exists and, although it has no operating assets, it maintains pre-2013 outstanding debt obligations through its taxing authority. The Town is responsible for all on-going wastewater system operations and financial obligations, including billing and collecting discharge fixture fees and other charges.

The Town identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the wastewater system’s current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration salient factors such as cost of wastewater treatment, inflation, system growth, and increases in staffing levels.
- A thorough review of the wastewater systems’ known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts and billing units (discharge fixture units) for the ten-year forecast period.
- An analysis of alternative rate (fee) structures for wastewater rates that will recover sufficient revenues and will distribute costs equitably.
- A detailed analysis and comparison of the Town’s current and proposed rates to rates in other surrounding communities.

Wastewater Rate Comparison

Tables ES-1 compares Camp Verde’s current monthly wastewater charges to those of nearby cities in the region. A typical residential monthly wastewater bill for Camp Verde is for 18 discharge fixture units. Billing volume of 5,000 gallons for wastewater was used for the residential comparison as it represents typical billing unit levels for an average household in communities with water meters. The rate data for comparison to the Town is based on a 2017 Water Infrastructure Finance Authority of Arizona (WIFA) wastewater rate survey. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges. The table reveals that the Town’s rates are midrange when compared to most other cities in the region.

TABLE ES-1

TOWN OF CAMP VERDE		
MONTHLY RESIDENTIAL CHARGES 5,000 WASTEWATER BILLING UNITS		
	5,000 Gallons Wastewater	
Camp Verde*	\$	40.50
Clarkdale	\$	54.00
Chino Valley	\$	64.14
Cottonwood	\$	32.00
Jerome	\$	52.67
Oak Creek Utility Corp.	\$	31.25
Prescott	\$	49.07
Prescott Valley	\$	27.77
Sedona	\$	58.76
AZ State Average-2017 WIFA Survey	\$	36.18
* 18 Discharge Fixture Units		
Source: 2017 WIFA Survey		

Wastewater Customers – Test Year & Forecast

The majority of the wastewater accounts served by Camp Verde are residential accounts. **Table ES-2** presents total wastewater connections (customers) by customer class for the Town for the test year and forecast period. As shown, overall wastewater accounts are forecast to increase from **1,031** in the test year to **1,303** in FY 2027, an average annual increase of 2.6%. The addition of these new connections will result in both non-recurring connection fees and increasing monthly wastewater revenues. **Note:** A there is a significant increase in accounts forecast in FY 2020 when a new RV Park is expected to open.

TABLE ES-2

TOWN OF CAMP VERDE					
FORECAST TOTAL CUSTOMERS					
WASTEWATER Customer Classes					
	Residential	Commercial	Class	Class	Total
Historical Wastewater Accounts					
FY 2015	905	70	-	-	975
FY 2016	916	71	-	-	987
FY 2017	932	72	-	-	1,004
Test Year and Forecast Wastewater Accounts					
TY 2018	957	74	-	-	1,031
FY 2019	985	77	-	-	1,062
FY 2020	1,138	77	-	-	1,216
FY 2021	1,150	78	-	-	1,228
FY 2022	1,161	79	-	-	1,240
FY 2023	1,173	80	-	-	1,252
FY 2024	1,184	81	-	-	1,265
FY 2025	1,196	81	-	-	1,278
FY 2026	1,208	82	-	-	1,290
FY 2027	1,220	83	-	-	1,303
WASTEWATER Annual New Customers					
FY 2016	11	1	-	-	12
FY 2017	16	1	-	-	17
TY 2018	25	2	-	-	27
FY 2019	29	2	-	-	31
FY 2020	153	1	-	-	153
FY 2021	11	1	-	-	12
FY 2022	11	1	-	-	12
FY 2023	12	1	-	-	12
FY 2024	12	1	-	-	13
FY 2025	12	1	-	-	13
FY 2026	12	1	-	-	13
FY 2027	12	1	-	-	13

Net Revenue Requirement

Table ES-3 presents the Town’s forecast Net Revenue Requirement for the ten-year period FY 2018 through FY 2027. The table reveals that the total revenue requirement is expected to increase from \$1,039,365 in FY 2018 to \$1,418,451 in FY 2027. Detailed calculations are presented in the rate model contained in Appendix A of this report. These net revenue requirements must be raised from rates in the test year FY 2018 and the forecast period.

TABLE ES-3

TOWN OF CAMP VERDE							
CURRENT AND FORECAST NET REVENUE REQUIREMENT							
	Operating Expenses	Capital Outlays	Debt Service	Equipment Lease	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WASTEWATER Revenue Requirement							
TY2018	\$ 1,118,230	\$ 15,000	\$ -	\$ 113,120	\$ 1,246,350	\$ 206,985	\$ 1,039,365
FY2019	1,123,630	15,450	100,456	113,120	1,352,656	231,877	1,120,779
FY2020	1,177,101	15,914	163,839	113,120	1,469,973	451,640	1,018,333
FY2021	1,218,951	16,391	164,006	113,120	1,512,467	209,799	1,302,668
FY2022	1,262,535	16,883	164,126	56,560	1,500,104	215,650	1,284,454
FY2023	1,307,944	17,389	164,199	-	1,489,532	221,672	1,267,861
FY2024	1,355,272	17,911	136,854	-	1,510,037	227,870	1,282,167
FY2025	1,404,619	18,448	136,833	-	1,559,900	234,249	1,325,651
FY2026	1,456,092	19,002	136,765	-	1,611,859	240,816	1,371,042
FY2027	1,509,805	19,572	136,650	-	1,666,026	247,575	1,418,451

As shown in these charts, operating expenses and debt service payments are by far the largest annual expenses paid by Camp Verde’s wastewater utility. The debt service is assumed to be from a \$2,448,000 WIFA bond issue. The annual debt service is assumed to be phased in during the FY 2019 and FY 2020 period, and is expected to include a 5-year reserve funded from rates as well. The debt service schedule was developed in close consultation with the Town’s bond advisors, Stifel Nicolaus.

Any changes in forecast operating expense and debt issue estimates used in determining the Town’s wastewater revenue requirement for this rate study could require significant changes to the rate plan presented in this report.

One of the key assumptions used in the development of the long-term revenue requirement is the Town’s Capital Improvement Plan. The Town’s CIP assumptions are summarized in **Table ES-4**. The table reveals that the Town’s CIP over the next ten years is estimated to be **\$4,039,960** for the wastewater system.

In addition to the \$2,488,000 bond issue noted above, a majority of the CIP funding for the currently identified wastewater system capital improvements in the next ten years is forecasted to come from a grant and drawdown from a previous loan.

Table ES-4

TOWN OF CAMP VERDE			
WASTEWATER CAPITAL IMPROVEMENT PLAN			
Wastewater Treatment		Wastewater Collection	
Drying Beds	\$ 906,810	Lift Station Pump	80,000
Plant Capacity increase	600,000	Truck Pump Station Improvements	50,000
Solar Installation	500,000	Lift Station SCADA	30,000
Engineering and Cost of Money	330,000	Lift Station VFD	\$ 27,000
Add UV Disinfection	320,000		
Tertiary Filters	269,000		
Miscellaneous Capital Projects	927,150		
Total Treatment	3,852,960		\$ 187,000
TOTAL	\$4,039,960		

Wastewater Rate Recommendations

The wastewater rates developed in this study are designed to recover the test year and forecast revenue requirement while providing funding for the current identified capital, transfers and debt service.

The Town has not increased the wastewater system’s fixture fees and charges since it acquired the system in 2013. The Town’s ability to maintain adequate financial condition in the past has been a result of the Town Council and staff controlling operating and capital costs at a level that allows goals to be met without increasing fees. However, cost increases and aggressive CIP requirements are forcing the need to adjust rates in future.

Table ES-5 presents a summary of the recommended rate plan proposed for the Town of Camp Verde. The following is notable about this rate proposal:

- While the rate plan presents a forecast of rates for ten years, the project team recommends that the Town adopt a 5-year rate plan, with rates to be automatically implemented each year on April 1, 2018, January 1, 2019 – 2022.
- Given the growth in the Town and potential for unexpected events, the project team recommends that the Town not commit itself to a rate plan beyond five years. Further, the project team recommends that the Town periodically review these rates during the next five years, to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.

Table ES-6 presents the impact of this rate plan on monthly customer charges.

TABLE ES-5

TOWN OF CAMP VERDE						
	Current	Effective Apr-18	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22
Residential Monthly Charges						
Percent Adjustment		12.00%	15.00%	4.00%	2.00%	2.00%
Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge -- Per Fixture	2.25	2.52	2.90	3.01	3.07	3.14
<hr/>						
Avg Bill -- 18 Fixtures	\$ 40.50	\$ 45.36	\$ 52.16	\$ 54.25	\$ 55.34	\$ 56.44
Increase/Decrease		4.86	6.80	2.09	1.09	1.11

TABLE ES-6

TOWN OF CAMP VERDE						
	Current	Effective Apr-18	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22
Commercial Monthly Charges						
Percent Adjustment		12.00%	15.00%	4.00%	2.00%	2.00%
Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge -- Per Fixture	3.50	3.92	4.51	4.69	4.78	4.88
<hr/>						
Avg Bill -- 70 Fixtures	245.00	274.40	315.56	328.18	334.75	341.44
Increase/Decrease		29.40	41.16	12.62	6.56	6.69

Section I

SECTION I

Introduction and Demographic Profile

Background



Source:<https://www.theroamingboomers.com/montezuma-castle-national-monument-camp-verde-sedona-arizona-baby-boomer-travel/>

In November 2017, the Town of Camp Verde, Arizona (the “Town”) engaged **Economists.com**, now a part of Willdan Financial Services, to conduct a wastewater rate (fee) study and long-term financial plan. The Town was interested in developing an updated comprehensive wastewater rate plan for FY 2018 and beyond. The objective of this study is to develop a long-term rate plan that will enable the Town to recover sufficient funds to meet operating expenses, capital outlays, debt service and coverage requirements, while at the same time to the best extent possible minimizing the impact of any adjustments on ratepayers.

In 2013 the Town of Camp Verde acquired its wastewater system from the Camp Verde Sanitary District (“District”). The District still exists and, although it has no operating assets, it maintains pre-2013 outstanding debt obligation through its taxing authority. The Town is responsible for all on-going wastewater system operations and financial obligations, including billing and collecting fixture fees and other charges.

The Town identified numerous objectives for this study, including but not limited to the following:

- A comprehensive analysis and evaluation of the wastewater systems’ current cost of service and revenue requirements.
- A forecast of operating expenses over the next decade, taking into consideration such factors as inflation, system growth, and increases in staffing levels.
- A thorough review of the wastewater system’s known capital improvement needs, as well as a determination of the need for funding capital requirements through the issuance of long-term debt for the existing identified capital improvements.
- An estimate of current and forecast accounts, volumes and billing units for the ten-year forecast period.
- An analysis of alternative multi-year wastewater rate plans that will distribute costs equitably.
- A detailed analysis and comparison of the Town’s current and proposed rates to rates in other surrounding communities.

Report Organization

This report is organized into the following sections:

Section I – Introduction and Demographic Profile - outlines the background, objectives and scope of this rate study and long-term financial plan. It also presents the Town’s current rate structure and a community profile of the Town of Camp Verde. This includes a comparison of the Town’s wastewater charges with other Arizona cities.

Section II – Wastewater Test Year and Forecast Volumes – analyzes the Town’s customer base, total accounts and current volumes of treated wastewater. This section presents totals for the current year and a ten-year forecast into the future.

Section III – Wastewater Test Year and Forecast Revenue Requirement – outlines the process of analyzing the Town’s current wastewater utility cost structure. The total current or “test year” revenue requirements are developed, and costs are functionalized between treatment, collection, administration and customer billing. Using the test year as a basis, costs are forecast for a ten-year period.

Section IV – Wastewater Rate Design – presents rate recommendations for the Town of Camp Verde Town Council and Staff to consider which would enable it to meet its revenue requirements over the next decade. This section also presents an analysis of the impact of this rate plan.

Appendix A – presents a hard copy printout of the interactive Microsoft Excel spreadsheet model summary developed for the Town of Camp Verde to calculate wastewater current and future revenue requirements. The model automatically generates all calculations based on a set of defined user inputs and *has an executive dashboard for users to develop real-time “what-if” scenarios.*

Community Overview



The Town of Camp Verde, Arizona is located in the center of Arizona. The Town is approximately 42.6¹ square miles and has an estimated 2017 population of 11,158². The Town is in Yavapai County.

The Town of Camp Verde has a Council-Manager form of government in which the elected Mayor and Town Council Members establish policy. Those policies are then implemented by the Town Manager who is appointed by, and reports to, the Town Council. The Camp Verde Town Council consists of seven Council Members that include a voting mayor, vice-mayor and five council members.

The Town Manager operates much in much the same way as a chief executive officer of a corporation. The Town Manager’s Office is responsible for the day-to-day administration of Camp Verde’s Town government,

¹ Wikipedia - https://en.wikipedia.org/wiki/Camp_Verde,_Arizona

² <https://www.uscurrentpopulation.com/arizona/camp-verde>

including managing the Town's budget, the Town's departments and operations, and programs for communicating with residents and employees.

Wastewater Current Rates

Table I-1 summarizes the Town of Camp Verde's current wastewater fee structure. The table reveals that the rates are based on the number of fixtures in a given residential or commercial structure. This is necessary since the Town does not operate the water system and does not have access to water usage data for its customers.

TABLE I-1

TOWN OF CAMP VERDE		
Residential Monthly Charges		
Minimum Charge	\$	-
Volume Charge -- Per Fixture		2.25
Commercial Monthly Charges		
Percent Adjustment		
Minimum Charge	\$	-
Volume Charge -- Per Fixture		3.50

The Town of Camp Verde has not implemented an increase in wastewater fixture fees since it acquired the system in 2013. The wastewater fee structure assesses a charge per discharge fixture unit by customer class for all rate classes.

Wastewater Rate Comparison

Chart I-3 and Table I-4 compare the Town's monthly wastewater charges to surrounding cities in Arizona. A typical residential monthly wastewater bill for Camp Verde is for 18 discharge fixture units. Billing volume of 5,000 gallons for wastewater was used for the residential comparison as it represents typical billing unit levels for an average household in communities with water meters. The rate data for comparison to the Town is based on a 2017 Water Infrastructure Finance Authority of Arizona (WIFA) wastewater rate survey. These rates do not include sales tax, activation or other charges beyond the basic minimum and volume charges.

CHART I-2

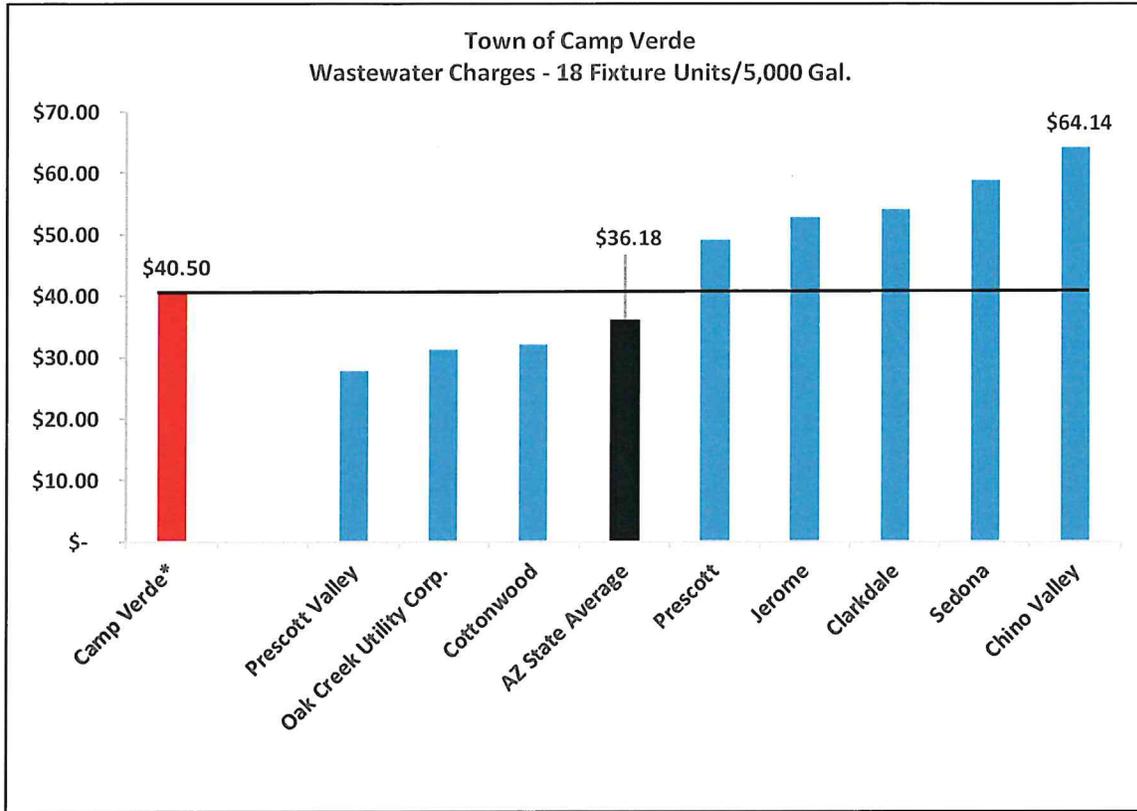


TABLE I-3

TOWN OF CAMP VERDE	
MONTHLY RESIDENTIAL CHARGES 5,000 WASTEWATER BILLING UNITS	
	5,000 Gallons Wastewater
Camp Verde*	\$ 40.50
Clarkdale	\$ 54.00
Chino Valley	\$ 64.14
Cottonwood	\$ 32.00
Jerome	\$ 52.67
Oak Creek Utility Corp.	\$ 31.25
Prescott	\$ 49.07
Prescott Valley	\$ 27.77
Sedona	\$ 58.76
AZ State Average-2017 WIFA Survey	\$ 36.18

* 18 Discharge Fixture Units
Source: 2017 WIFA Survey

Section II

SECTION II

Wastewater Test Year and Forecast Volumes



In order to accurately forecast future revenues and expenses, it is necessary to examine current wastewater utility conditions. The first step in developing cost of service rates is to analyze account and fixture units, both for the system as a whole, and for specified customer classes.

For the Town of Camp Verde, monthly wastewater records were reviewed for the period of July 2014 through October 2017. These records provided summary information on the monthly number of accounts for each period. Discharge fixture units were provided for the month of October 2017 and used as a basis to determine test

year 2018 billing units for both residential and commercial class of customer.

According to standard utility ratemaking methodology, in order to allocate revenue requirements equitably among system users, customers must be classified into relatively homogeneous groups based on number of fixtures or service demands. Costs are then allocated to the customer classes in proportion to the number of fixtures in each class.

After thoroughly examining customer data, the project team made no revisions to the Town's existing rate classifications. The project team finds these customer class distinctions to be reasonable and appropriate, meeting the criteria of homogenous groups with similar demand (i.e., business, residential).

In this section, the Town's functional customer classes and test year fixture counts will be thoroughly analyzed. A ten-year projection of customers and discharge fixture units will also be presented. These forecasts, along with the revenue requirements, will form the basis of the proposed rate designs.

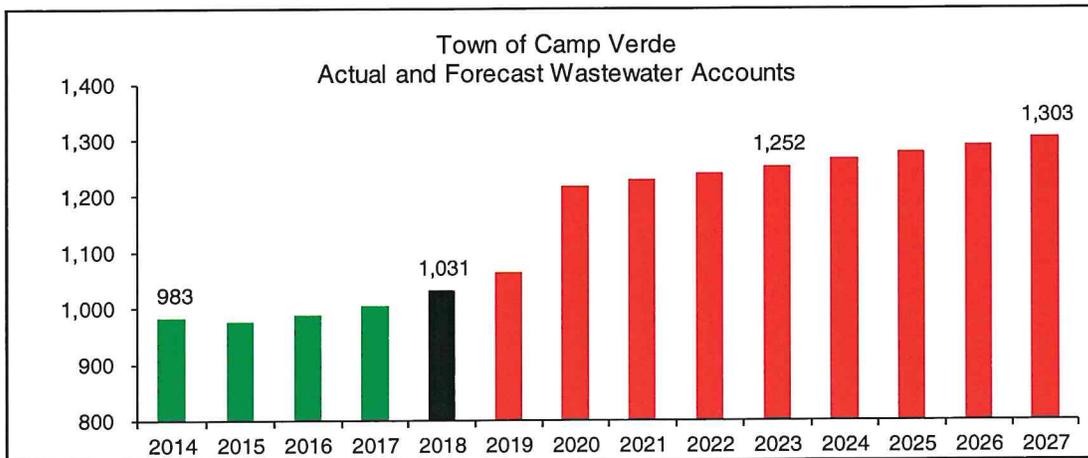
Wastewater Customers – Test Year & Ten-Year Forecast

The majority of wastewater accounts are residential accounts with the remaining being commercial customers. **Table II-1** and **Chart II-2** present total water accounts for the Town for the test year and forecast period.

TABLE II-1

TOWN OF CAMP VERDE					
FORECAST TOTAL CUSTOMERS					
WASTEWATER Customer Classes					
	Residential	Commercial	Class	Class	Total
Historical Wastewater Accounts					
FY 2015	905	70	-	-	975
FY 2016	916	71	-	-	987
FY 2017	932	72	-	-	1,004
Test Year and Forecast Wastewater Accounts					
TY 2018	957	74	-	-	1,031
FY 2019	985	77	-	-	1,062
FY 2020	1,138	77	-	-	1,216
FY 2021	1,150	78	-	-	1,228
FY 2022	1,161	79	-	-	1,240
FY 2023	1,173	80	-	-	1,252
FY 2024	1,184	81	-	-	1,265
FY 2025	1,196	81	-	-	1,278
FY 2026	1,208	82	-	-	1,290
FY 2027	1,220	83	-	-	1,303
WASTEWATER Annual New Customers					
FY 2016	11	1	-	-	12
FY 2017	16	1	-	-	17
TY 2018	25	2	-	-	27
FY 2019	29	2	-	-	31
FY 2020	153	1	-	-	153
FY 2021	11	1	-	-	12
FY 2022	11	1	-	-	12
FY 2023	12	1	-	-	12
FY 2024	12	1	-	-	13
FY 2025	12	1	-	-	13
FY 2026	12	1	-	-	13
FY 2027	12	1	-	-	13

CHART II-2



For each of the historical years, the average number of accounts for the year is shown and the growth reflects the difference from one fiscal year end to the next. Overall wastewater accounts are forecast to increase from **1,031** in the test year to **1,303** in FY 2027, an average annual increase of 2.6% for all customer classes. It should be noted that there is a significant increase in accounts forecast in FY 2020 when a new RV Park is expected to open.

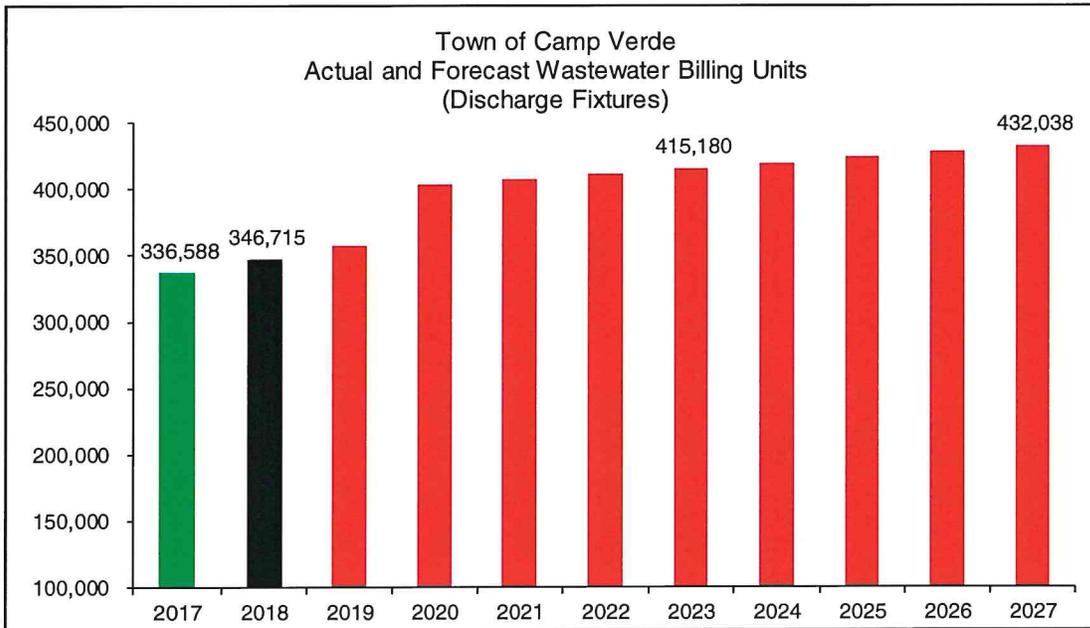
Historical and Forecast Wastewater Billing Units

Total wastewater system billing unit data was analyzed over the same time period as customer data. A combination of fixture counts over the past 12 months and historical trends was used as the basis for the development of the forecast wastewater billing units within the rate model.

The project team prepared a ten-year forecast of wastewater discharge fixtures based on the same principles on which customer accounts were projected. The results of this forecast for wastewater fixtures are presented in **Chart II-3**. Projections contained in this report include adjustments based on the impacts of normal customer growth.

With these adjustments wastewater volume is expected to increase at an average annual rate of approximately 2.5% over the next decade. By FY 2027 wastewater billing units are expected to reach **432,038** discharge fixture units.

CHART II-3



Section III

SECTION III

Wastewater Forecast Revenue Requirement



In this section of the wastewater rate study and long-term financial plan, the Town of Camp Verde's test year and forecast wastewater utility revenue requirements are developed. The test year consists of the Town's fiscal year, July 1, 2017 through June 30, 2018. The estimates presented in this section are based on the Town's proposed budget for FY 2018.

The calculation of a revenue requirement differs from a utility's budget in that it represents only that amount that must be raised through the Town's user rates. This means that non-rate revenue (such as reconnection fees, late payment charges and interest) must be subtracted from the budgeted operating and capital expenditures to determine the net revenue requirement to be raised from rates.

As is typical for publicly owned utilities, the Town of Camp Verde's system revenue requirements were developed using the cash basis of ratemaking. Under the cash basis, as defined by the Water Environment Federation (WEF) Manual of Practice (MOP) No. 27 and AWWA Manual M-1, system revenue requirements consist of cash expenditures and other financial commitments (such as debt service coverage or reserves) that must be met through system operating revenues and other revenue sources.

All data used in the development of the revenue requirements was obtained from the financial statements, budgets and other information provided by the Town. Detailed calculations are presented in the rate model contained in **Appendix A** of this report.

The assumptions utilized in this expense forecast will be thoroughly detailed in this section of the report. These assumptions are critical to the development of both the revenue requirement and the ultimate rate recommendation. The project team reviewed these assumptions with the Town staff and considers all to be consistent with staff recommendations.

In this section, current and forecast Operating Costs, Capital Outlays, Transfers, and Debt Service will be examined first. Non-rate revenues will be subtracted from the total to yield the Net Revenue Requirement.

Operating Expenses and Capital Outlays – Test Year

Table III-1 on the following page summarizes the test year FY 2018 wastewater system operating expenses and capital outlays in detail by department and expense category item.

The Wastewater Funds budget includes one or more of the following expense categories:

- **Personnel**, which includes all personnel costs, such as salary and benefit expenses, and payroll taxes.
- **Operation and Maintenance**, which captures the primary operating expenses associated with the day-to-day management and maintenance of the wastewater operations. This includes postage, office equipment and supplies, IT costs, chemicals, plant operation and maintenance (O&M), collections O&M etc.
- **Capital Outlays**, capital improvements funded through the wastewater utility budgets.
- **Electricity**, one of the single largest expenses for the wastewater system.
- **Administration**, including indirect administrative expenses such as cell phone, consulting fees, audits, insurance, and service and credit card fees.
- **Equipment Lease**, a five-year lease for vehicles. Expires in FY 2022.

Tables III-1 also allocates total budget expenses between the wastewater functions based on function and general ratemaking principles. As the tables show, total operating expenses, equipment lease, and capital outlays in the test year are **\$1,246,350**.

TABLE III-1

TOWN OF CAMP VERDE	
TEST YEAR COST OF SERVICE	
	2018 Budget
Operating Expenses:	
Personnel	\$ 577,580
Administration	53,150
Electricity	110,000
Operating and Maintenance Costs	377,500
Total Operating Expenses	\$ 1,118,230
Capital Outlays	15,000
Equipment Lease	113,120
Total Cost of Service	1,246,350

Operating Expenses and Capital Outlays – Ten Year Forecast

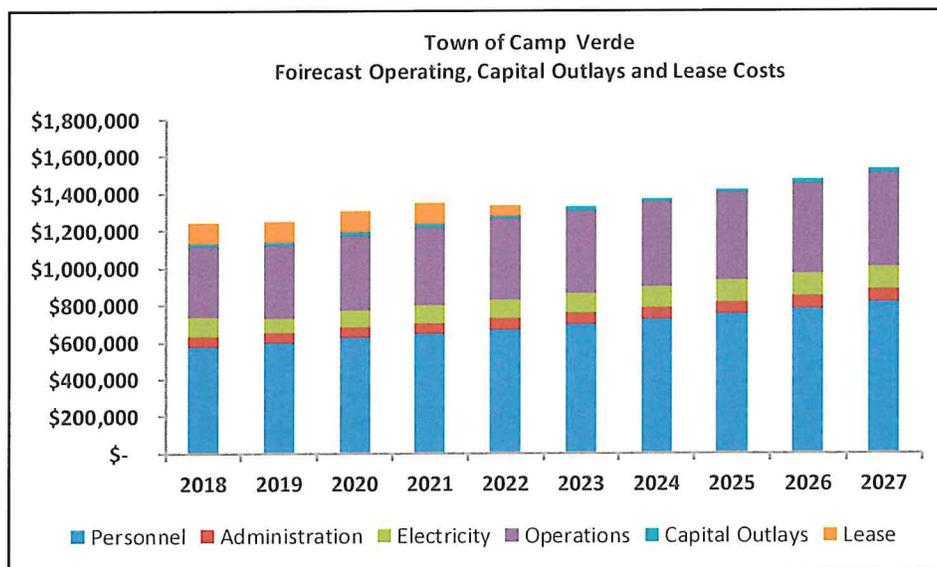
Table III-2 and Chart III-3 present the wastewater utility operating expense and capital outlay forecast for the ten-year period FY 2018 – FY 2027. Details behind these calculations can be found in the rate model contained in Appendix A. This forecast is based on the following set of assumptions:

- Most operating costs are expected to increase at an annual rate of 3.0%, which is approximately equivalent to the rate of inflation.
- Certain expenses will increase at above-inflation rates, to reflect the rapid rate of increase of these costs. These expenses include chemicals, workers compensation, Medicare and insurance.
- A reduction in Electricity costs of \$30k is expected in FY 2019 following installation of solar photovoltaics (PV) in the wastewater facilities.

TABLE III-2

TOWN OF CAMP VERDE							
WASTEWATER - Operations, Capital Outlays and Equipment Lease							
	Personnel	Administration	Electricity	Operations	Capital Outlays	Lease	Total
2018	\$ 577,580	\$ 53,150	\$ 110,000	\$ 377,500	\$ 15,000	\$ 113,120	\$ 1,246,350
2019	599,186	54,745	80,000	389,700	15,450	113,120	1,252,200
2020	621,782	56,387	93,960	404,973	15,914	113,120	1,306,134
2021	645,425	58,078	97,718	417,729	16,391	113,120	1,348,461
2022	670,177	59,821	101,627	430,910	16,883	56,560	1,335,978
2023	696,103	61,615	105,692	444,534	17,389	-	1,325,334
2024	723,273	63,464	109,920	458,616	17,911	-	1,373,183
2025	751,760	65,368	114,316	473,175	18,448	-	1,423,067
2026	781,645	67,329	118,889	488,229	19,002	-	1,475,094
2027	813,013	69,349	123,645	503,798	19,572	-	1,529,376

CHART III-3



As shown in these charts, those expenses categorized as operating expense is the largest annual expense group paid by Camp Verde’s wastewater utilities. These expenses are growing more rapidly than the other category of expenses. The equipment lease expires in FY 2022 creating a slight decrease in costs in FY 2023, before recognition of debt service on debt issued in FY 2018 (see Existing and Forecast Debt Service section of this report).

Capital Improvement Plan

The Town has developed a comprehensive long-term capital improvements plan for the next five years. The purpose of the CIP is to rehabilitate and maintain the existing system, expand the system and to service new growth.

The capital improvement plan is an integral part of any long-term rate and financing plan. The Town finances its capital improvements through revenue-funded long-term debt. Only the revenue bonds impact the Town’s rate plan.

Table III-4 on the following pages summarizes the Town’s CIP. The wastewater CIP includes wastewater treatment and collection system construction. This table reveals that the Town’s CIP over the next ten years is estimated to be approximately **\$4,039,960** for the wastewater system. The Town intends to fund a majority of the CIP projects with revenue bond issues.

In addition to a \$2,488,000 WIFA bond issue in FY 2018, Town intends to fund the CIP with grants and additional draw-downs on debt previous issued to the Camp Verde Sanitary District

Table III-4

TOWN OF CAMP VERDE			
WASTEWATER CAPITAL IMPROVEMENT PLAN			
Wastewater Treatment		Wastewater Collection	
Drying Beds	\$ 906,810	Lift Station Pump	80,000
Plant Capacity increase	600,000	Truck Pump Station Improvements	50,000
Solar Installation	500,000	Lift Station SCADA	30,000
Engineering and Cost of Money	330,000	Lift Station VFD	\$ 27,000
Add UV Disinfection	320,000		
Tertiary Filters	269,000		
Miscellaneous Capital Projects	927,150		
Total Treatment	3,852,960		\$ 187,000
TOTAL	\$4,039,960		

Existing and Forecast Debt Service

Table III-5 and **Chart III-6** present current and forecast debt service and forecast debt service coverage assuming that the Town issues new wastewater revenue bonds as needed from FY 2018 through FY 2027 to fund the CIP. The Town currently has no bond issues outstanding in the Test Year. Previous bond issues will remain the District’s obligation. This obligation is funded through the District’s taxing authority.

For FY 2018 forward, it is projected that a new wastewater system WIFA loan in the amount of **\$2,488,000** will be issued in FY 2018 and repaid entirely with Utility System Revenues. The WIFA loan is assumed to have a 25-year term, 2.35% interest rate and a debt service reserve requirement funded over five a year period. Debt service schedules were developed in close cooperation with the Town’s bond advisors, Stifel Nicolaus and Company, and represent the intention of Town management and Council.

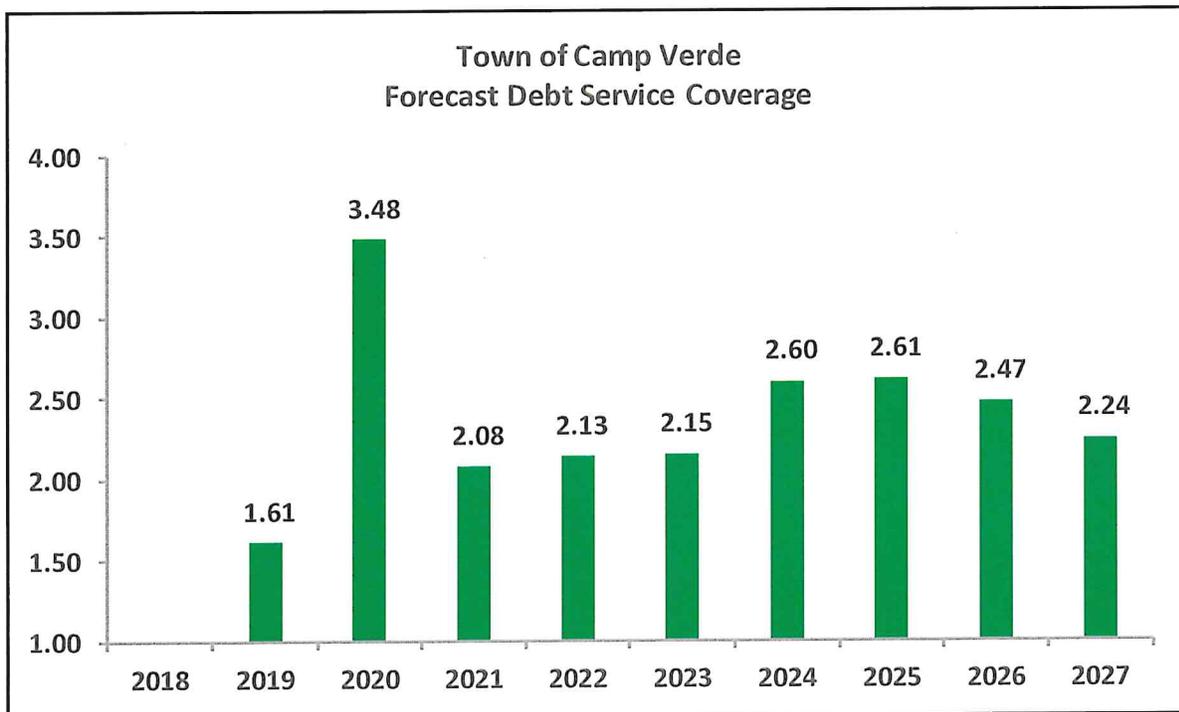
Table III-5 presents the first ten years of the proposed debt. The table reveals that this debt is phased in during the period FY 2019 – FY 2020. Table III-6 shows that if the recommended rate plan is adopted, the Town is forecast to be able to meet and exceed a 1.25 debt coverage requirement.

These assumptions are preliminary and subject to change. **Should the Town Council choose to issue more or less revenue debt than assumed in this study, or should different financing terms be available at the time the debt is issued, then the rate plans in this study may require revision.**

Table III-5

TOWN OF CAMP VERDE									
Forecast Debt Service									
2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
\$ -	\$ 73,085	\$136,468	\$136,635	\$136,755	\$136,828	\$136,854	\$136,833	\$136,765	\$136,650

Chart III-6



Non-Rate Revenues

Although sales revenues constitute the majority of the revenue received by the Town of Camp Verde for wastewater service, a certain amount of revenue is accrued from non-rate sources. These revenues include interest, septage, W.A.S., Port-a-Potty and connection fees. These non-rate revenues are subtracted from the overall budget to determine the revenue requirement to be raised from rates. Except for the connection fees which are based on customer growth, non-rate revenues are forecasted to increase 3.0% annually during the next ten years. Annual non-rate revenue totals are presented in **Table III-7**.

Table III-7

TOWN OF CAMP VERDE										
NON-RATE REVENUE										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Account Transfer Fees	\$ 1,200	\$ 1,236	\$ 1,273	\$ 1,311	\$ 1,351	\$ 1,391	\$ 1,433	\$ 1,476	\$ 1,520	\$ 1,566
Septage Fees	126,000	129,780	133,673	137,684	141,814	146,069	150,451	154,964	159,613	164,401
W.A.S. Fees	21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565	27,362	28,183
Port-a-Potty Fees	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962
Connection Fees	35,385	54,139	268,588	21,274	21,486	21,701	21,918	22,137	22,359	22,582
Other	9,800	11,084	11,399	11,722	12,056	12,400	12,754	13,118	13,494	13,881
Total Non-Rate Revenues	\$ 206,985	\$ 231,877	\$ 451,640	\$ 209,799	\$ 215,650	\$ 221,672	\$ 227,870	\$ 234,249	\$ 240,816	\$ 247,575

Note: There is a significant non-recurring increase in connection fees expected in FY 2020 when a new RV Park opens.

Net Revenue Requirement

Table III-8 presents the test year and ten-year forecast for the Town’s net revenue requirement to be raised from rates for the wastewater utility for the test year 2018 and forecast period. The wastewater net revenue requirement is expected to increase from **\$1,039,365** in FY 2018 to **\$1,418,451** in FY 2027.

Table III-8

TOWN OF CAMP VERDE										
CURRENT AND FORECAST NET REVENUE REQUIREMENT										
	Operating Expenses	Capital Outlays	Debt Service	Equipment Lease	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement			
WASTEWATER Revenue Requirement										
TY 2018	\$ 1,118,230	\$ 15,000	\$ -	\$ 113,120	\$ 1,246,350	\$ 206,985	\$ 1,039,365			
FY 2019	1,123,630	15,450	100,456	113,120	1,352,656	231,877	1,120,779			
FY 2020	1,177,101	15,914	163,839	113,120	1,469,973	451,640	1,018,333			
FY 2021	1,218,951	16,391	164,006	113,120	1,512,467	209,799	1,302,668			
FY 2022	1,262,535	16,883	164,126	56,560	1,500,104	215,650	1,284,454			
FY 2023	1,307,944	17,389	164,199	-	1,489,532	221,672	1,267,861			
FY 2024	1,355,272	17,911	136,854	-	1,510,037	227,870	1,282,167			
FY 2025	1,404,619	18,448	136,833	-	1,559,900	234,249	1,325,651			
FY 2026	1,456,092	19,002	136,765	-	1,611,859	240,816	1,371,042			
FY 2027	1,509,805	19,572	136,650	-	1,666,026	247,575	1,418,451			

Wastewater Utility Cost Functionalization and Classification

Wastewater system costs are allocated to the following functions:

Treatment -- Volume – the costs associated with treating wastewater volume discharges

Collection – the lines that transport wastewater from customers’ properties to the wastewater treatment plant

Administration – miscellaneous overhead and other non-operating costs

Customer Billing – the processes involved in billing and other services to customers

As was the case for the water system, wastewater utility operating budget line item expenses are allocated individually to functions. The results of the allocation process are presented on **Table III-9**. As with the water utility, these percentages are not forecast to change significantly during the next ten years.

TABLE III-9

TOWN OF CAMP VERDE		
TEST YEAR WASTEWATER COST FUNCTIONALIZATION		
Function	TY 2018 Revenue Requirement	Percent
Treatment	\$ 402,273	38.7%
Collection	486,066	46.8%
Administration	92,729	8.9%
Customer	<u>58,297</u>	5.6%
Total	\$ 1,039,365	100.0%

Wastewater Utility Cost Allocation

Allocation of wastewater utility costs by service characteristic to customer classes is performed in the same manner as described for the water utility. The total wastewater utility costs by customer class for the test year are summarized in **Table III-10** and for the ten-year forecast period in **Table III-11**.

TABLE III-10

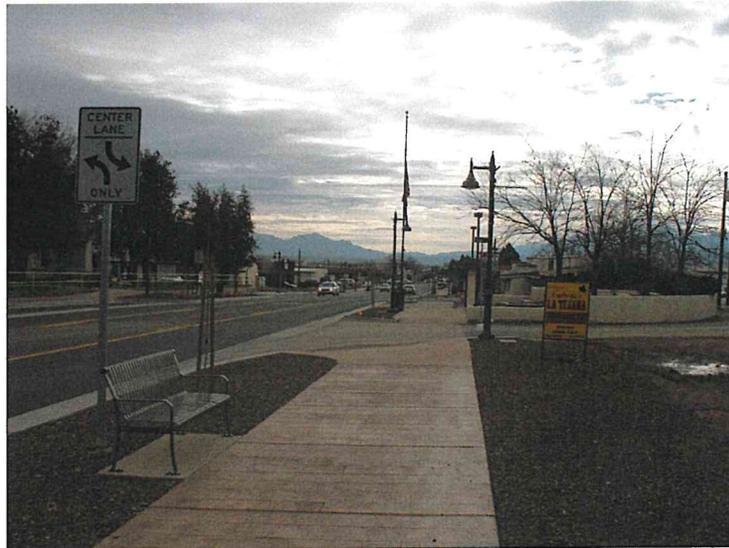
TOWN OF CAMP VERDE		
TEST YEAR WASTEWATER COST ALLOCATION		
Customer Classification	TY 2018 Revenue Requirement	Percent
Residential	\$ 855,989	82.4%
Commercial	<u>183,376</u>	<u>17.6%</u>
Total	\$ 1,039,365	100.0%

TABLE III-11

TOWN OF CAMP VERDE

FORECAST WASTEWATER COST ALLOCATION

Year	Residential	Commercial	Total
TY 2018	\$ 855,989	\$ 183,376	\$ 1,039,365
FY 2019	922,569	198,210	1,120,779
FY 2020	856,924	161,409	1,018,333
FY 2021	1,096,253	206,415	1,302,668
FY 2022	1,081,284	203,170	1,284,454
FY 2023	1,067,682	200,179	1,267,861
FY 2024	1,079,936	202,231	1,282,167
FY 2025	1,116,607	209,044	1,325,651
FY 2026	1,154,889	216,153	1,371,042
FY 2027	1,194,873	223,577	1,418,451



Section IV

SECTION IV

Wastewater Rate Design



Rate design involves determining charges for each class of customers that will generate a desired level of revenue that is recognized by WEF and other industry cost of service rate-making principles. The wastewater rates developed in this section are designed to recover the test year and forecast revenue requirements while providing funding for the identified capital improvements and existing debt service.

The Town has not increased the wastewater system's fixture fees and charges since it acquired the system in 2013. The Town's ability to maintain adequate financial condition in the past had been a result of the Town

Council and staff controlling operating and capital costs at a level that allowed goals to be met without increasing fees. However, cost increases and aggressive CIP requirements are forcing the need to adjust rates in future years.

In this section, the project team is presenting its recommended rate plan for the Town. **Table IV-1** presents a summary of this rate plan proposed for Town customers. The following is notable regarding this proposed rate plan:

- While the rate plan presents a forecast of rates for ten years, the project team recommends that the Town adopt a 5-year rate plan, with rates to be automatically implemented each year on April 1, 2018, January 1, 2019 – 2022.
- Given the growth in the Town and potential for unexpected events, the project team recommends that the Town not commit itself to a rate plan beyond five years. Further, the project team recommends that the Town periodically review these rates during the next five years, to incorporate any changes to costs, volumes or growth assumptions that may occur during that time.
- The most significant impact on rates will be for operating cost of wastewater treatment and collection system. Should the Town incur material changes to its operating cost forecasts, the Town should undertake an immediate review of its rate plan.
- The second largest impact on rates will be debt issued to fund the CIP. The initial cost of service and rate proposal assumes that the debt service will be funded 100% by utility rate revenues. If the amount of debt and debt terms change from those presented in this report, the Town should undertake an immediate review of its rate plan.
- There is no change to the basic rate structure.

The projected rate revenues developed in this section, are forecast to be sufficient to fund all operating and current scheduled capital obligations in each of the next ten years (FY 2018 through FY 2027). The

Willdan recommended rate plan focuses on the first five years of the rate study period. Rate revenues will be sufficient to fund the wastewater existing debt service and future debt service over the five-year period. **Table IV-2** presents the customer rate impact.

TABLE IV-1

TOWN OF CAMP VERDE						
	Current	Effective Apr-18	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22
Residential Monthly Charges						
Percent Adjustment		12.00%	15.00%	4.00%	2.00%	2.00%
Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge -- Per Fixture	2.25	2.52	2.90	3.01	3.07	3.14
<hr/>						
Avg Bill -- 18 Fixtures	\$ 40.50	\$ 45.36	\$ 52.16	\$ 54.25	\$ 55.34	\$ 56.44
Increase/Decrease		4.86	6.80	2.09	1.09	1.11

TABLE – IV-2

TOWN OF CAMP VERDE						
	Current	Effective Apr-18	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22
Commercial Monthly Charges						
Percent Adjustment		12.00%	15.00%	4.00%	2.00%	2.00%
Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge -- Per Fixture	3.50	3.92	4.51	4.69	4.78	4.88
<hr/>						
Avg Bill -- 70 Fixtures	245.00	274.40	315.56	328.18	334.75	341.44
Increase/Decrease		29.40	41.16	12.62	6.56	6.69

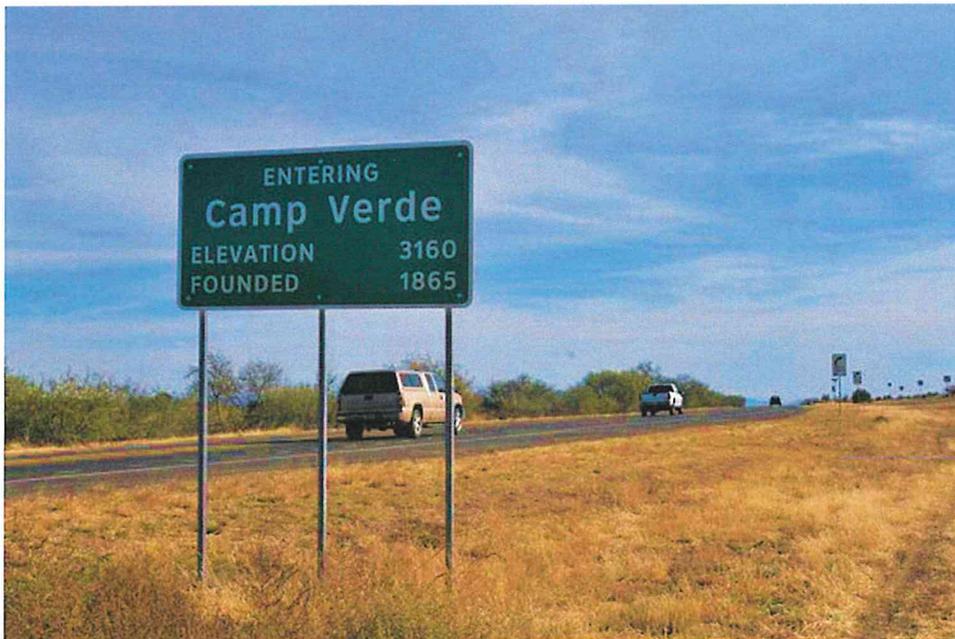
Notes on Rate Recommendations

The forecast and recommendations presented in this study represent a combination of the best information available from the Town of Camp Verde and the project team's expertise. However, this forecast relies in part on assumptions about future events and events beyond the control of the project team (such as account growth rates within the Town). The forecast and recommendations contained in this study may be subject to revision if any of the following events occurs:

- Actual growth in accounts and consumed volumes is less than (or significantly greater than) forecast.
- Capital improvement plan funding costs increase significantly due to the rising cost of materials or other factors.
- An unforeseen event impacts the Town, such as an extended recession, natural catastrophe or terrorist attack.
- Significant and long-lasting changes in weather patterns.
- Increases or decreases in interest rates, coverage requirements, or reserve requirements for long-term debt.
- The Town of Camp Verde budget levels or priorities change significantly from those forecast in this study.

It should be noted that none of these events are foreseen by the project team or the Town of Camp Verde at this time.

If any of these events occur, the Town may be compelled to consider further adjustments to its wastewater rates.



Source: <http://www.journalaz.com/news/camp-verde/2152-towns-marshall-manager-face-new-residency-rules.html>

Appendix A



Town of Camp Verde

Ten Year Rate Analysis and Pro Forma

Fiscal Years 2018 - 2027



Utility System

Sewer

Dashboard

Projections
Full Commission
Comparable Utilities

Customer Class

All Classes

Years

10 - 5

Net Revenues Available for Contingency

Debt Service

Total Revenues

Debt Coverage

Sewer Projections

Future Debt Term: 25

Sewer Future Bond Issues		
	Alternative	Proposed
2018		\$ 2,488,000
2019		\$ -
2020		\$ -
2021		\$ -
2022		\$ -
2023		\$ -
2024		\$ -
2025		\$ -
2026		\$ -
2027		\$ -

Sewer Future Bond Issues		
	MASTER CONTROL	
2018		X
2019		X
2020		X
2021		X
2022		X
2023		X
2024		X
2025		X
2026		X
2027		X

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Sewer Rate Adjustments										
Residential Charge	12.00%	15.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%
Commercial Charge	12.00%	15.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%

CAMP VERDE AZ WASTEWATER FUND

Forecast Debt Service Coverage Fiscal Year (FY) Ending June 30, 2018 through FY 2027

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues										
Revenues from Sewer Rates ¹	\$ 876,729	\$ 1,053,536	\$ 1,295,469	\$ 1,349,607	\$ 1,397,260	\$ 1,439,457	\$ 1,482,929	\$ 1,527,713	\$ 1,553,142	\$ 1,568,673
Non-Rate Revenues ²	206,385	231,277	451,136	209,198	214,946	220,861	226,946	233,207	239,428	245,831
Interest Income	600	600	600	600	600	600	600	600	600	600
Total Revenues	\$ 1,083,714	\$ 1,285,413	\$ 1,747,206	\$ 1,559,406	\$ 1,612,806	\$ 1,660,918	\$ 1,710,474	\$ 1,761,520	\$ 1,793,169	\$ 1,815,103
Expenses										
Personnel ³	\$ 577,580	\$ 599,186	\$ 621,782	\$ 645,425	\$ 670,177	\$ 696,103	\$ 723,273	\$ 751,760	\$ 781,645	\$ 813,013
Administration Expense ⁴	53,150	54,745	56,387	58,078	59,821	61,615	63,464	65,368	67,329	69,349
Maintenance and Operations ⁵	487,500	469,700	498,932	515,447	532,537	550,226	568,536	587,492	607,118	627,443
Other	-	-	-	-	-	-	-	-	-	-
Total Operating/Maintenance	\$ 1,118,230	\$ 1,123,630	\$ 1,177,101	\$ 1,218,951	\$ 1,262,535	\$ 1,307,944	\$ 1,355,272	\$ 1,404,619	\$ 1,456,092	\$ 1,509,805
Net Revenues	\$ (34,516)	\$ 161,783	\$ 570,105	\$ 340,455	\$ 350,271	\$ 352,973	\$ 355,202	\$ 356,901	\$ 337,077	\$ 305,299
Equipment Lease ⁶	113,120	113,120	113,120	113,120	56,560	-	-	-	-	-
Debt Service ⁷	-	100,456	163,839	164,006	164,126	164,199	136,854	136,833	136,765	136,650
Net Revenues Available for CIP, Capital Outlays and Transfers to General Fund	\$ (147,636)	\$ (51,793)	\$ 293,146	\$ 63,329	\$ 129,585	\$ 188,774	\$ 218,348	\$ 220,068	\$ 200,312	\$ 168,649
Debt Service Coverage Ratio	na	1.61	3.48	2.08	2.13	2.15	2.60	2.61	2.46	2.23

¹ Includes fixture fee revenues. Revenues assumes three annual rate increases FY 2018 - FY2020 between 5% and 10%, and 2% annual increases in FY 2021 through FY 2025. One percent estimated annual growth in customer accounts. Two percent estimated annual growth in customer accounts FY 2018. Three percent annual growth in FY 2019. One percent estimated annual growth in FY 2020 - FY 2027.

² Non-rate revenues include Connection fees, Septage fees and other ancillary utility fees and charges. FY 2020 increase in connection fee due to a new RV Park.

³ Personnel includes: salaries and wages, medical insurance, FICA, and other personnel benefits.

⁴ Administration expense includes: advertising, postage, insurance, travel and training.

⁵ Maintenance and Operations include: utilities, equipment/structural maintenance, line maintenance, professional services and chemicals. FY 2019 \$30k reduction in electric costs due to installation of photovoltaics at wastewater treatment facilities.

⁶ Equipment Lease for wastewater truck and camera van.

⁷ The Wastewater Fund has no outstanding debt in FY 2018. Debt service FY 2019 through FY 2027 from Town's Financial Advisor (Stifel), (December 26, 2017).. Includes Debt Service Reserve funded FY 2019 - FY 2023.

CAMP VERDE AZ WASTEWATER FUND
Forecast of Wastewater Fund Cash Flow and Debt Service Coverage

Line No.		Actual	Actual	Pro forma	Projected		
		Audited	Unaudited		FY 2019	FY 2020	FY 2021
		FY 2016	FY 2017	FY 2018			
1	Revenues						
2	Revenues From Sewer Charges ¹	\$ 815,940	\$ 841,625	\$ 876,729	\$ 1,053,536	\$ 1,295,469	\$ 1,349,607
3	Non-Rate Revenues ²	\$ 223,304	\$ 286,248	\$ 206,985	\$ 231,877	\$ 451,736	\$ 209,798
4	Total Revenues	\$ 1,039,244	\$ 1,127,873	\$ 1,083,714	\$ 1,285,413	\$ 1,747,206	\$ 1,559,406
5	Operation and Maint.. Expenses ³	\$ 943,103	\$ 1,115,302	\$ 1,118,230	\$ 1,123,630	\$ 1,177,101	\$ 1,218,951
6	Use of Unrestricted Funds To Meet Debt Service Coverage ⁴	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Net Revenues Available To Meet Senior Lien Obligation	\$ 96,141	\$ 12,571	\$ (34,516)	\$ 161,783	\$ 570,105	\$ 340,455
8	Senior Lien Debt Service ⁵	\$ -	\$ -	\$ -	\$ 100,456	\$ 163,839	\$ 164,006
9	<i>Debt Service Coverage on Senior Lien Debt</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>161%</i>	<i>348%</i>	<i>208%</i>
10	Net Revenues Available For Equipment Lease	\$ 96,141	\$ 12,571	\$ (34,516)	\$ 61,327	\$ 406,266	\$ 176,449
11	Equipment Lease ⁶	\$ -	\$ 56,560	\$ 113,120	\$ 113,120	\$ 113,120	\$ 113,120
12	Adjusted Net Revenues	\$ 96,141	\$ (43,989)	\$ (147,636)	\$ (51,793)	\$ 293,146	\$ 63,329
13	Other Cash Inflows/(Outflows)						
14	Loan Amount ⁷	\$ -	\$ -	\$ 2,488,000	\$ -	\$ -	\$ -
15	WIFA Draws from Loan 910105-09 ⁷	\$ -	\$ -	\$ 552,750	\$ -	\$ -	\$ -
16	Grant/Principal Forgiveness ⁷	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
17	Transfer to other governments	\$ (189,547)	\$ 188,573	\$ -	\$ -	\$ -	\$ -
18	Capital Contributions and Transfers ⁸	\$ 350,954	\$ 568,721	\$ -	\$ -	\$ -	\$ -
19	Capital Projects ⁹	\$ (261,534)	\$ (697,633)	\$ (4,054,960)	\$ (15,450)	\$ (15,914)	\$ (16,391)
20	Subtotal	\$ (100,127)	\$ 59,661	\$ (14,210)	\$ (15,450)	\$ (15,914)	\$ (16,391)
21	Net Cash Flow	\$ (3,986)	\$ 15,672	\$ (161,846)	\$ (67,243)	\$ 277,233	\$ 46,938
22	Beginning Unrestricted Fund (Cash) Balance	\$ 533,962	\$ 529,976	\$ 545,648	\$ 383,802	\$ 316,559	\$ 593,791
23	Ending Cash Balance	\$ 529,976	\$ 545,648	\$ 383,802	\$ 316,559	\$ 593,791	\$ 640,730
24	Transfer (To)/From General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Ending Cash Balance	\$ 529,976	\$ 545,648	\$ 383,802	\$ 316,559	\$ 593,791	\$ 640,730
26	Cash Reserve Ratio	56%	49%	34%	28%	50%	53%
27	Residential Sewer Fee Per Fixture ¹⁰	\$ 2.25	\$ 2.25	\$ 2.52	\$ 2.90	\$ 3.01	\$ 3.07
28	Typical Monthly Residential Sewer Bill ¹¹	40.50	40.50	45.36	52.16	54.25	55.34
29	Percent Change From Prior Year		0.0%	12.0%	15.0%	4.0%	2.0%

CAMP VERDE AZ WASTEWATER FUND
Forecast of Wastewater Fund Cash Flow and Debt Service Coverage - Continued

Line No.		Projected					
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1	Revenues						
2	Revenues From Sewer Charges ¹	\$ 1,397,260	\$ 1,439,457	\$ 1,482,929	\$ 1,527,713	\$ 1,553,142	\$ 1,568,673
3	Non-Rate Revenues ²	\$ 215,546	\$ 221,461	\$ 227,546	\$ 233,807	\$ 240,028	\$ 246,431
4	Total Revenues	\$ 1,612,806	\$ 1,660,918	\$ 1,710,474	\$ 1,761,520	\$ 1,793,169	\$ 1,815,103
5	Operation and Maint.. Expenses ³	\$ 1,262,535	\$ 1,307,944	\$ 1,355,272	\$ 1,404,619	\$ 1,456,092	\$ 1,509,805
6	Use of Unrestricted Funds To Meet Debt Service Coverage ⁴	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Net Revenues Available To Meet Senior Lien Obligation	\$ 350,271	\$ 352,973	\$ 355,202	\$ 356,901	\$ 337,077	\$ 305,299
8	Senior Lien Debt Service ⁵	\$ 164,126	\$ 164,199	\$ 136,854	\$ 136,833	\$ 136,765	\$ 136,650
9	Debt Service Coverage on Senior Lien Debt	213%	215%	260%	261%	246%	223%
10	Net Revenues Available For Equipment Lease	\$ 186,145	\$ 188,774	\$ 218,348	\$ 220,068	\$ 200,312	\$ 168,649
11	Equipment Lease ⁶	\$ 56,560	\$ -	\$ -	\$ -	\$ -	\$ -
12	Adjusted Net Revenues	\$ 129,585	\$ 188,774	\$ 218,348	\$ 220,068	\$ 200,312	\$ 168,649
13	Other Cash Inflows/(Outflows)						
14	Loan Amount ⁷	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	WIFA Draws from Loan 910105-09 ⁸	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Grant/Principal Forgiveness ⁹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Transfer to other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Capital Contributions and Transfers ⁸	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	Capital Projects ⁹	\$ (16,883)	\$ (17,389)	\$ (17,911)	\$ (18,448)	\$ (19,002)	\$ (19,572)
20	Subtotal	\$ (16,883)	\$ (17,389)	\$ (17,911)	\$ (18,448)	\$ (19,002)	\$ (19,572)
21	Net Cash Flow	\$ 112,702	\$ 171,385	\$ 200,437	\$ 201,620	\$ 181,311	\$ 149,077
22	Beginning Unrestricted Fund (Cash) Balance	\$ 640,730	\$ 753,432	\$ 924,817	\$ 1,125,255	\$ 1,326,875	\$ 1,508,185
23	Ending Cash Balance	\$ 753,432	\$ 924,817	\$ 1,125,255	\$ 1,326,875	\$ 1,508,185	\$ 1,657,263
24	Transfer (To)/From General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Ending Cash Balance	\$ 753,432	\$ 924,817	\$ 1,125,255	\$ 1,326,875	\$ 1,508,185	\$ 1,657,263
26	Cash Reserve Ratio	60%	71%	83%	94%	104%	110%
27	Residential Sewer Fee Per Fixture. ¹⁰	\$ 3.14	\$ 3.20	\$ 3.26	\$ 3.33	\$ 3.33	\$ 3.33
28	Typical Monthly Residential Sewer Bill ¹¹	56.44	57.57	58.72	59.90	59.90	59.90
29	Percent Change From Prior Year	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%

¹ Revenues from Wastewater fixture fees. FY 2016 and FY 2017 actuals are from the Wastewater Fund Statement of Cash Flows in Town of Camp Verde Audited (FY 2016) and Draft Comprehensive Annual Financial Report. Revenues assumes three annual rate increases FY 2018 - FY 2020 between 4% and 15%, and 2% annual increases in FY 2021 through FY 2025. Two percent estimated annual growth in customer accounts FY 2018. Three percent annual growth in FY 2019. One percent estimated annual growth in FY 2020.

² Non-rate revenues include Connection fees, Septage fees and other ancillary utility fees and charges and interest earned on investments. Increase of \$250k in FY 2020 for new RV park.

³ Includes all personnel expenses, cost for wastewater treatment, wastewater collection and conveyance, and administrative expenses. Excludes depreciation. Decrease in electric costs (\$30k) FY 2019 due to installation of photovoltaics at wastewater treatment facilities.

⁴ Use of unrestricted funds for debt service coverage not required.

⁵ No Senior Lien Debt outstanding during FY 2016, FY 2017 and FY 2018. Debt service payments starting FY 2019 from Town's Financial Advisor (Stifel) Sources & Uses of Funds (December 26, 2017). Includes Debt Service Reserve funded FY 2019 - FY 2023.

⁶ Equipment Lease for wastewater truck and camera van.

⁷ Source: Financial Advisor (Stifel) Sources & Uses of Funds (December 26, 2017).

⁸ FY 2016 and FY 2017 Actuals are from the Wastewater Fund Statement of Cash Flows in Town of Camp Verde Audited (FY 2016) and Draft Comprehensive Annual Financial Report.

⁹ FY 2016 and FY 2017 actual capital projects are from the Wastewater Fund Statement of Cash Flows in Town of Camp Verde Audited (FY 2016) and Draft Comprehensive Annual Financial Report. FY 2018 capital projects are from Financial Advisor (Stifel) Sources & Uses of Funds, December 26, 2017 (\$4,039,960) plus equipment reported in the Town Budget (\$15,000).

¹⁰ The Town charges a Fixture Fee for discharge units. Fixture fees assumes three annual rate increases FY 2018 - FY 2020 between 4%, and 15%, and 2% annual increases in FY 2021 through FY 2025. One percent estimated annual growth in customer accounts.

¹¹ The typical monthly residential bill reflects 18 fixture units.

**Schedule of Existing Monthly Sewer Service Charges
Town of Camp Verde, Arizona**

Class	Rates Prior to April 2018		Rates After March 2018	
	Base Minimum	Per Fixture	Minimum	Per Fixture
Residential ¹	\$0.00	\$2.25	\$0.00	\$2.52
Commercial	\$0.00	\$3.50	\$0.00	\$3.92

¹ \$50 Maximum monthly bill.

Connection Fee and Other Charges

Connection Fees:

Residential Unit	\$1,750.00	per residential unit/lot
Commercial Units:		
Hotels, hospitals, supervisory care facilities	\$350.00	per room
Rooms equipped with kitchen facilities	\$1,750.00	per room
Retail	\$0.25/sq.ft.;	\$1,750 minimum
Office	\$0.50/sq.ft.;	\$1,750 minimum
Restaurant, bar	\$30.00	per seat
Warehouse, manufacturing	\$0.25/sq.ft.;	\$1,750 minimum

Inspection Fees:

Single family	\$80.00	
All other	\$100.00	per hr.; 2 hr. minimum

Other Fees:

Late Fee	\$5.00	or 1 1/2% of balance
Availability, return check	\$25.00	
Reconnection	\$100.00	
Septage	\$0.12	per gallon
Septic Tank and Vault contents	\$0.01	per gallon

Schedule of Percentage Increases in Residential User Fee Rates

Schedule of Percentage Increases in Residential User Fee Rates - Sewer System

Town of Camp Verde, Arizona¹

Fiscal Year	User Fee % Change	Per Fixture
2016/17	0%	\$2.25
2015/16	0%	\$2.25
2014/15	0%	\$2.25
2013/14		\$2.25

¹ The fixture fee has not changed since the Town acquired the sewer system from the Sanitary District.

Other Fees and Charges Relating to the Wastewater System

Other Fees and Charges Relating to the Sewer System

Town of Camp Verde, Arizona

Fiscal Year	Connection Fee & Other Revenues	Interest Earnings	Total
2016/17 [a]	\$273,240	\$1,181	\$274,421
2015/16	\$272,021	\$1,042	\$273,063
2014/15	\$214,400	\$909	\$215,309

[a] Unaudited

NOTE: Connection Fee and Other Revenues from Town Wastewater Budget.

CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL											
Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	

Model Summary		Scenario: Scenario 1 - \$2.5 Mill Revenue Bond										
1 Total Accounts												
Total Accounts		1,031	1,062	1,216	1,228	1,240	1,252	1,265	1,278	1,290	1,303	
New Accounts		20	31	153	12	12	12	13	13	13	13	
Avg. Annual Growth Rate			3.00%	14.45%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
2 Wastewater Rates – Residential												
EFFECTIVE		Apr-18	Jan-19	Jan-20	Jan-21	Nov-21	Nov-22	Nov-23	Nov-24	Nov-25	Nov-26	
(a) Base Chg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Per Fixture Unit Charge	2.25	2.52	2.90	3.01	3.07	3.14	3.20	3.26	3.33	3.33	3.33	
(b) Impact on Monthly Charge												
Mthly Chg–18 Fixture Unit	\$ 40.50	\$ 45.36	\$ 52.16	\$ 54.25	\$ 55.34	\$ 56.44	\$ 57.57	\$ 58.72	\$ 59.90	\$ 59.90	\$ 59.90	
Increase – Dollars		4.86	6.80	2.09	1.09	1.11	1.13	1.15	1.17	-	-	
Increase – Percent		12.0%	15.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	
Mthly Chg–24 Fixture Unit	54.00	60.48	69.55	72.33	73.78	75.26	76.76	78.30	79.86	79.86	79.86	
Increase – Dollars		6.48	9.07	2.78	1.45	1.48	1.51	1.54	1.57	-	-	
Increase – Percent		12.0%	15.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	
(c) Monthly Ratepayer Obligation												
Home Value (a)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Residential												
WW Rate	\$ 40.50	\$ 45.36	\$ 52.16	\$ 54.25	\$ 55.34	\$ 56.44	\$ 57.57	\$ 58.72	\$ 59.90	\$ 59.90	\$ 59.90	
General Operating Tax	-	-	-	-	-	-	-	-	-	-	-	
GO Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	
Special Assessment	-	-	-	-	-	-	-	-	-	-	-	
Total - 16 Fixture Unit	40.50	45.36	52.16	54.25	55.34	56.44	57.57	58.72	59.90	59.90	59.90	
Commercial												
WW Rate	\$ 54.00	\$ 60.48	\$ 69.55	\$ 72.33	\$ 73.78	\$ 75.26	\$ 76.76	\$ 78.30	\$ 79.86	\$ 79.86	\$ 79.86	
General Operating Tax	-	-	-	-	-	-	-	-	-	-	-	
GO Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	
Special Assessment	-	-	-	-	-	-	-	-	-	-	-	
Total - 18 Fixture Unit	54.00	60.48	69.55	72.33	73.78	75.26	76.76	78.30	79.86	79.86	79.86	
3 Wastewater Rates – Commercial												
Base Chg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Per Fixture Unit Charge	3.50	3.92	4.51	4.69	4.78	4.88	4.98	5.07	5.18	5.18	5.18	
Impact on Monthly Charge												
Mthly Chg–25 Fixture Units	\$ 87.50	\$ 98.00	\$ 112.70	\$ 117.21	\$ 119.55	\$ 121.94	\$ 124.38	\$ 126.87	\$ 129.41	\$ 129.41	\$ 129.41	
Increase – Dollars		10.50	14.70	4.51	2.34	2.39	2.44	2.49	2.54	-	-	
Increase – Percent		12.0%	15.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	
Mthly Chg–70 Fixture Units	245.00	274.40	315.56	328.18	334.75	341.44	348.27	355.24	362.34	362.34	362.34	
Increase – Dollars		29.40	41.16	12.62	6.56	6.69	6.83	6.97	7.10	-	-	
Increase – Percent		12.0%	15.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%	

CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Model Summary		Scenario: Scenario 1 - \$2.5 Mill Revenue Bond									
4 TOTAL Revenues and Expenses											
WW Rate Revenues	\$	876,729	\$ 1,053,536	\$ 1,295,469	\$ 1,349,607	\$ 1,397,260	\$ 1,439,457	\$ 1,482,929	\$ 1,527,713	\$ 1,553,142	\$ 1,568,673
Non-Rate Revenues:											
Account Transfer Fees		1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
Septage Fees		126,000	129,780	133,673	137,684	141,814	146,069	150,451	154,964	159,613	164,401
W.A.S. Fees		21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565	27,362	28,183
Port-a-Potty Fees		13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962
Connection Fees		35,385	54,139	268,588	21,274	21,486	21,701	21,918	22,137	22,359	22,582
Other		9,800	11,084	11,399	11,722	12,056	12,400	12,754	13,118	13,494	13,881
Total Non-Rate Revenues		206,985	231,877	451,640	209,799	215,650	221,672	227,870	234,249	240,816	247,575
Total Revenues		1,083,714	1,285,413	1,747,109	1,559,407	1,612,910	1,661,129	1,710,798	1,761,963	1,793,958	1,816,248
Operating Expenses											
Personnel		577,580	599,186	621,782	645,425	670,177	696,103	723,273	751,760	781,645	813,013
Administration		53,150	54,745	56,367	58,078	59,821	61,615	63,464	65,368	67,329	69,349
Electricity		110,000	80,000	93,960	97,718	101,627	105,692	109,920	114,316	118,889	123,645
Operating & Maint.		377,500	389,700	404,973	417,729	430,910	444,534	458,616	473,175	488,229	503,798
Operating Expenses		1,118,230	1,123,630	1,177,101	1,218,951	1,262,535	1,307,944	1,355,272	1,404,619	1,456,092	1,509,805
Net Revenues after Operating Expenses		(34,516)	161,783	570,008	340,456	350,374	353,184	355,526	357,344	337,866	306,444
Capital Outlays		15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Debt Service – Current											
Equipment Lease		113,120	113,120	113,120	113,120	56,560	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total		113,120	113,120	113,120	113,120	56,560	-	-	-	-	-
Debt Service – Future											
Series 2018	2,500,000	-	100,456	163,839	164,006	164,126	164,199	136,854	136,833	136,765	136,650
Series 2019	-	-	-	-	-	-	-	-	-	-	-
Series 2020	-	-	-	-	-	-	-	-	-	-	-
Series 2021	-	-	-	-	-	-	-	-	-	-	-
Series 2022	-	-	-	-	-	-	-	-	-	-	-
Series 2023	-	-	-	-	-	-	-	-	-	-	-
Series 2024	-	-	-	-	-	-	-	-	-	-	-
Series 2025	-	-	-	-	-	-	-	-	-	-	-
Series 2026	-	-	-	-	-	-	-	-	-	-	-
Total		-	100,456	163,839	164,006	164,126	164,199	136,854	136,833	136,765	136,650
Total Debt Service		113,120	213,576	276,959	277,126	220,686	164,199	136,854	136,833	136,765	136,650
Total Cost of Service		1,246,350	1,352,656	1,469,973	1,512,467	1,500,104	1,489,532	1,510,037	1,559,900	1,611,859	1,666,026
Revenues less Cost of Service		(162,636)	(67,243)	277,136	46,939	112,806	171,596	200,761	202,062	182,099	150,222
Percent of COS		-15.0%	-5.2%	15.9%	3.0%	7.0%	10.3%	11.7%	11.5%	10.2%	8.3%
Net Revenues		(162,636)	(67,243)	277,136	46,939	112,806	171,596	200,761	202,062	182,099	150,222

CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL										
Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Model Summary

Scenario: **Scenario 1 - \$2.5 Mill Revenue Bond**

5 Debt Coverage Calculation

Coverage Eligible Revenues

	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
WW Rate Revenues	\$	876,729	\$ 1,053,536	\$ 1,295,469	\$ 1,349,607	\$ 1,397,260	\$ 1,439,457	\$ 1,482,929	\$ 1,527,713	\$ 1,553,142	\$ 1,568,673
Non-Rate Revenues:											
Account Transfer Fees		1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
Septage Fees		126,000	129,780	133,673	137,684	141,814	146,069	150,451	154,964	159,613	164,401
W.A.S. Fees		21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565	27,362	28,183
Port-a-Potty Fees		13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962
Connection Fees		35,385	54,139	268,588	21,274	21,486	21,701	21,918	22,137	22,359	22,582
Other		9,800	11,084	11,399	11,722	12,056	12,400	12,754	13,118	13,494	13,881
Total Non-Rate Revenues		206,985	231,877	451,640	209,799	215,650	221,672	227,870	234,249	240,816	247,575
Coverage-Eligible Revenues		1,083,714	1,285,413	1,747,109	1,559,407	1,612,910	1,661,129	1,710,798	1,761,963	1,793,958	1,816,248
Operating Expenses		1,118,230	1,123,630	1,177,101	1,218,951	1,262,535	1,307,944	1,355,272	1,404,619	1,456,092	1,509,805
Net Revenues Eligible for Coverage		(34,516)	161,783	570,008	340,456	350,374	353,184	355,526	357,344	337,866	306,444
Debt Service – Future											
Series 2018		-	100,456	163,839	164,006	164,126	164,199	136,854	136,833	136,765	136,650
Series 2019		-	-	-	-	-	-	-	-	-	-
Series 2020		-	-	-	-	-	-	-	-	-	-
Series 2021		-	-	-	-	-	-	-	-	-	-
Series 2022		-	-	-	-	-	-	-	-	-	-
Series 2023		-	-	-	-	-	-	-	-	-	-
Series 2024		-	-	-	-	-	-	-	-	-	-
Series 2025		-	-	-	-	-	-	-	-	-	-
Series 2026		-	-	-	-	-	-	-	-	-	-
Total		-	100,456	163,839	164,006	164,126	164,199	136,854	136,833	136,765	136,650
Debt Coverage		-	1.61	3.48	2.08	2.13	2.15	2.60	2.61	2.47	2.24

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 60%;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Month of Adjustment (July = 1)	10	7	7	7	4	4	4	4	4	4
EFFECTIVE	Apr-18	Jan-19	Jan-20	Jan-21	Nov-21	Nov-22	Nov-23	Nov-24	Nov-25	Nov-26

Annual Adjustment

Residential DASHBOARD	12.00%	15.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%
Commercial DASHBOARD	12.00%	15.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Residential

Base Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
User Fee/Fixture Unit	2.25	2.52	2.90	3.01	3.07	3.14	3.20	3.26	3.33	3.33

Commercial

Base Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
User Fee/Fixture Unit	3.50	3.92	4.51	4.69	4.78	4.88	4.98	5.07	5.18	5.18

Class

User Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
----------	------	------	------	------	------	------	------	------	------	------

Base Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Usage Charge	4 Above	-	-	-	-	-	-	-	-	-

Class

Base Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Usage Charge	4 Above	-	-	-	-	-	-	-	-	-

Class

User Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
----------	------	------	------	------	------	------	------	------	------	------

Base Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Usage Charge	4 Above	-	-	-	-	-	-	-	-	-

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations

Scenario: **Scenario 1 - \$2.5 Mill Revenue Bond**

Class			Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
User Fee			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Base Charge			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Usage Charge	4	Above	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class													
Base Charge			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Usage Charge	4	Above	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class													
Base Charge			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Usage Charge	4	Above	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Summary of Results -- Rate Calculator

Revenues Less Cost of Service		(162,636)	(67,243)	277,136	46,939	112,806	171,596	200,761	202,062	182,099	150,222
		-18.6%	-6.4%	21.4%	3.5%	8.1%	11.9%	13.5%	13.2%	11.7%	9.6%
Net Revenues		(162,636)	(67,243)	277,136	46,939	112,806	171,596	200,761	202,062	182,099	150,222
Debt Coverage		-	1.61	3.48	2.08	2.13	2.15	2.60	2.61	2.47	2.24

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

WW Rate Revenues

WW Rate Revenue

Residential	\$ 649,881	\$ 780,941	\$ 992,508	\$ 1,033,985	\$ 1,070,494	\$ 1,102,823	\$ 1,136,128	\$ 1,170,439	\$ 1,189,921	\$ 1,201,820
Commercial	226,848	272,595	302,961	315,622	326,766	336,634	346,801	357,274	363,221	366,853
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total WW Rate Revenues	876,729	1,053,536	1,295,469	1,349,607	1,397,260	1,439,457	1,482,929	1,527,713	1,553,142	1,568,673

Less Revenues to be Raised from Rates:

Residential	\$ 855,989	\$ 922,569	\$ 856,924	\$ 1,096,253	\$ 1,081,284	\$ 1,067,682	\$ 1,079,936	\$ 1,116,607	\$ 1,154,889	\$ 1,194,873
Commercial	183,376	198,210	161,409	206,415	203,170	200,179	202,231	209,044	216,153	223,577
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Sub-Total	1,039,365	1,120,779	1,018,333	1,302,668	1,284,454	1,267,861	1,282,167	1,325,651	1,371,042	1,418,451

Rate Revenue Less RRRR:

Residential	(206,108)	(141,628)	135,584	(62,267)	(10,790)	35,141	56,192	53,832	35,032	6,946
Commercial	43,471	74,385	141,552	109,207	123,596	136,456	144,569	148,230	147,067	143,276
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-

Rate Revenue less Revenue Rqmt	(162,636)	(67,243)	277,136	46,939	112,806	171,596	200,761	202,062	182,099	150,222
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<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 60%;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>										
Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

WASTEWATER -- Customer & Usage Data

Customer Class Units -- Base Annual Units

Residential	283,173	291,668	336,866	340,235	343,637	347,073	350,544	354,050	357,590	361,166
Commercial	63,543	65,449	66,104	66,765	67,432	68,107	68,788	69,475	70,170	70,872
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total Wastewater	346,715	357,117	402,969	406,999	411,069	415,180	419,332	423,525	427,760	432,038

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 60%;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Net Annual Fixtures after Minimum:

Residential

Units Per Bill	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66
Rounded Billed Units Per Month	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66
Rounded Net Units Per Month	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66
Total Bills	11,481	11,826	13,658	13,795	13,933	14,072	14,213	14,355	14,498	14,643	14,843
Rounded Net Fixtures after Minimum	283,173	291,668	336,866	340,235	343,637	347,073	350,544	354,050	357,590	361,166	

Commercial

Units Per Bill	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12
Rounded Billed Units Per Month	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12
Rounded Net Units Per Month	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12
Total Bills	894	920	930	939	948	958	967	977	987	997	997
Rounded Net Fixtures after Minimum	63,543	65,449	66,104	66,765	67,432	68,107	68,788	69,475	70,170	70,872	

Class

Units Per Bill	-	-	-	-	-	-	-	-	-	-	-
Rounded Billed Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Total Bills	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Fixtures after Minimum	-	-	-	-	-	-	-	-	-	-	-

Class

Units Per Bill	-	-	-	-	-	-	-	-	-	-	-
Rounded Billed Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Total Bills	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Fixtures after Minimum	-	-	-	-	-	-	-	-	-	-	-

Class

Units Per Bill	-	-	-	-	-	-	-	-	-	-	-
Rounded Billed Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Total Bills	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Fixtures after Minimum	-	-	-	-	-	-	-	-	-	-	-

Class

Units Per Bill	-	-	-	-	-	-	-	-	-	-	-
Rounded Billed Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Total Bills	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Fixtures after Minimum	-	-	-	-	-	-	-	-	-	-	-

<div style="border: 1px solid black; padding: 5px; display: inline-block; background-color: white; color: black;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>											
	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027

Input Area -- Rate Recommendations

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Class											
Units Per Bill	-	-	-	-	-	-	-	-	-	-	-
Rounded Billed Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Total Bills	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Fixtures after Minimum	-	-	-	-	-	-	-	-	-	-	-
Class											
Units Per Bill	-	-	-	-	-	-	-	-	-	-	-
Rounded Billed Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Units Per Month	-	-	-	-	-	-	-	-	-	-	-
Total Bills	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Fixtures after Minimum	-	-	-	-	-	-	-	-	-	-	-
Rounded Net Fixtures after Minimum		346,715	357,117	402,969	406,999	411,069	415,180	419,332	423,525	427,760	432,038
Customer Class Units -- Total Bills											
Residential		11,481	11,826	13,658	13,795	13,933	14,072	14,213	14,355	14,498	14,643
Commercial		894	920	930	939	948	958	967	977	987	997
Class		-	-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-	-
Total Wastewater		12,375	12,746	14,588	14,733	14,881	15,030	15,180	15,332	15,485	15,640
		1,031	1,062	1,216	1,228	1,240	1,252	1,265	1,278	1,290	1,303

<div style="border: 1px solid black; padding: 5px; display: inline-block; background-color: white; color: black;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>					
<u>Test Year</u>					
2018	Net Budget	Treatment	Collection	Admin	Customer Billing

Test Year WW 1.0 -- WASTEWATER Service Cost Functionalization
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

NON-RATE REVENUES

Non-Rate Revenues	Net Budget	Treatment	Collection	Admin	Customer Billing
User Fees	\$ -	na	na	na	na
Account Transfer Fees	1,200	na	na	na	na
Septage Fees	126,000	na	na	na	na
W.A.S. Fees	21,600	na	na	na	na
Port-a-Potty Fees	13,000	na	na	na	na
Connection Fees	35,385	na	na	na	na
Inspection Fees	800	na	na	na	na
Misc Fees	8,400	na	na	na	na
Other Income	-	na	na	na	na
Interest Income	600	na	na	na	na
Other Income	-	na	na	na	na
Other Income	-	na	na	na	na
Other Income	-	na	na	na	na
Total Non-Rate Revenues	\$ 206,985	na	na	na	na

CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL					
<u>Test Year</u> 2018	Net Budget	Treatment	Collection	Admin	Customer Billing

Test Year WW 1.0 -- WASTEWATER Service Cost Functionalization
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

OPERATING EXPENSES

Operating Expenses - Personnel

Salaries	\$ 399,280	\$ 159,712	\$ 159,712	\$ 39,928	\$ 39,928
Overtime	7,345	2,938	2,938	735	735
Uniform Allowance	1,120	-	560	-	560
FICA	25,285	10,114	10,114	2,529	2,529
Medicare	5,915	2,366	2,366	592	592
Retirement	44,585	17,834	17,834	4,459	4,459
Unemployment	1,330	532	532	133	133
Workman's Compensation	13,070	5,228	5,228	1,307	1,307
Health, Dental & Life Ins	79,650	31,860	31,860	7,965	7,965
Total WW Personnel Services	\$ 577,580	\$ 230,584	\$ 231,144	\$ 57,646	\$ 58,206
Percent	100.0%	39.9%	40.0%	10.0%	10.1%

Operating Expenses - General

Training	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ -
Travel	1,000	-	-	1,000	-
Office Supplies	5,000	-	-	5,000	-
Subscriptions/Memberships	1,150	-	-	1,150	-
Printing	2,750	-	-	2,750	-
Postage	3,000	-	-	-	3,000
Software Recurring Fees	5,000	-	-	2,500	2,500
Auto Repair/Maintenance	4,600	-	2,300	-	2,300
Fuel	5,000	-	2,500	-	2,500
Electric	110,000	55,000	55,000	-	-
Water	400	400	-	-	-
Waste Removal	2,400	2,400	-	-	-
Cell Phone	3,600	-	1,800	900	900
Pest Control	2,000	2,000	-	-	-
Consulting Services	5,000	2,500	2,500	-	-
Legal Services	2,500	-	-	2,500	-
Audit	3,200	-	-	3,200	-
Service Charges	1,750	-	-	1,750	-
Credit Card Processing Fees	500	-	-	500	-
Liability Insurance	29,300	-	-	29,300	-
Safety / Security Program	500	-	-	-	500
Lagoon Closure	50,000	25,000	25,000	-	-
Lab Equipment	5,000	2,500	2,500	-	-
Lab Services	25,000	12,500	12,500	-	-
Lab Supplies	6,000	3,000	3,000	-	-
Maintenance - Plant	96,000	48,000	48,000	-	-
Operational Supplies - Plant	32,500	16,250	16,250	-	-
Rental Equipment - Plant	3,500	1,750	1,750	-	-
Uniforms - Plant	8,500	4,250	4,250	-	-
Polymer - Plant	12,500	6,250	6,250	-	-
Chlorine - Plant	22,000	11,000	11,000	-	-
Sludge Disposal - Plant	25,000	12,500	12,500	-	-
Mosquito Control - Plant	2,500	1,250	1,250	-	-
Maintenance - Collections	45,000	22,500	22,500	-	-
Operational Supplies - Collections	4,000	2,000	2,000	-	-
Rental Equipment - Collections	500	250	250	-	-
Permits	11,000	5,500	5,500	-	-
Other Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-

CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL					
<u>Test Year</u> 2018	Net Budget	Treatment	Collection	Admin	Customer Billing

Test Year WW 1.0 -- WASTEWATER Service Cost Functionalization
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Other Expenses		-		-		-		-		
Other Expenses		-		-		-		-		
Total WW General Operating Exp.	\$	540,650	\$	236,800	\$	238,600	\$	53,550	\$	11,700
Percent		100.0%		43.8%		44.1%		9.9%		2.2%
 TOTAL WASTEWATER OPERATING EXPENDITURES	 \$	 1,118,230	 \$	 467,384	 \$	 469,744	 \$	 111,196	 \$	 69,906
		100.0%		41.8%		42.0%		9.9%		6.3%

Test Year 2018	CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL	
	Net Budget Treatment Collection Admin Customer Billing	

Test Year WW 1.0 -- WASTEWATER Service Cost Functionalization
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

CAPITAL OUTLAYS						
Annual Capital Outlays	\$	15,000	\$	15,000	\$	-
Percent		100.0%		100.0%		0.0%
Total Capital Outlays		15,000		15,000		-
Percent		100.0%		100.0%		0.0%
TOTAL OPERATING/CAPITAL OUTLAYS	\$	1,133,230	\$	482,384	\$	469,744
Percent		100.0%		42.6%		41.5%
					\$	111,196
						69,906
						6.2%
DEBT SERVICE -- CURRENT						
TOTAL EQUIPMENT LEASE -- CURRENT	\$	113,120	\$	-	\$	113,120
Percent		100.0%		0.0%		100.0%
					\$	-
						0.0%
DEBT SERVICE -- FUTURE						
TOTAL DEBT SERVICE -- FUTURE	\$	-	\$	-	\$	-
Percent		0.0%		0.0%		0.0%
					\$	-
						0.0%
TOTAL WASTEWATER COST OF SERVICE						
TOTAL COST OF SERVICE	\$	1,246,350	\$	482,384	\$	582,864
Percent		100.0%		38.7%		46.8%
					\$	111,196
						69,906
						5.6%
NON RATE REVENUES						
TOTAL NON-RATE REVENUES	\$	206,985	\$	80,111	\$	96,798
Percent		100.0%		38.7%		46.8%
					\$	18,467
						11,609
						5.6%
TOTAL REVENUE REQUIREMENT						
TOTAL REVENUE REQUIREMENT	\$	1,039,365	\$	402,273	\$	486,066
Percent		100.0%		38.7%		46.8%
					\$	92,729
						58,297
						5.6%

<div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 0 auto; width: 80%;"> CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL </div>					
<u>Test Year</u> 2018	Total Wastewater	Treatment	Collection	Administration	Cust Billing

Test Year WW 2.0 -- WASTEWATER Cost Classification
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Total Wastewater						
Operating	\$	1,118,230	\$	467,384	\$	469,744
Capital Outlays		15,000		15,000		-
Debt Service -- Current		113,120		-		113,120
Debt Service -- Future		-		-		-
Total	\$	1,246,350	\$	482,384	\$	582,864
Percentage		100.0%		38.7%		46.8%
Allocation of Administration:						
Total WW less Admin	\$	1,135,154	\$	482,384	\$	na
Percent of Total		100.0%		42.5%		na
Administration Allocation	\$	111,196	\$	47,253	\$	na
Cost of Service						
Total Cost of Service	\$	1,246,350	\$	529,637	\$	na
Percentage		100.00%		42.50%		na
Non-Rate Revenues						
Less Non-Rate Revenues	\$	206,985	\$	87,958	\$	na
Net Cost Classification						
Total WW Cost Classification	\$	1,039,365	\$	441,678	\$	na

<u>10 Year Forecast</u> 2018-2027	CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

NON-RATE REVENUES

Non-Rate Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
User Fees	-	-	-	-	-	-	-	-	-	-	-
Account Transfer Fees	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566	1,566
Septage Fees	126,000	129,780	133,673	137,684	141,814	146,089	150,451	154,964	159,613	164,401	164,401
W.A.S. Fees	21,600	22,248	22,915	23,603	24,311	25,040	25,792	26,565	27,362	28,183	28,183
Port-a-Potty Fees	13,000	13,390	13,792	14,205	14,632	15,071	15,523	15,988	16,468	16,962	16,962
Connection Fees	35,385	54,139	268,588	21,274	21,486	21,701	21,918	22,137	22,359	22,582	22,582
Inspection Fees	800	824	849	874	900	927	955	984	1,013	1,044	1,044
Misc Fees	8,400	9,660	9,950	10,248	10,556	10,872	11,199	11,535	11,881	12,237	12,237
Other Income	-	-	-	-	-	-	-	-	-	-	-
Interest Income	600	600	600	600	600	600	600	600	600	600	600
Other Income	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Non-Rate Revenues	\$ 206,985	\$ 231,877	\$ 451,640	\$ 209,799	\$ 215,650	\$ 221,672	\$ 227,870	\$ 234,249	\$ 240,816	\$ 247,575	\$ 247,575

10 Year Forecast 2018-2027	CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 3.0 -- WASTEWATER Service Revenue Requirement Raised from Rates
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

CAPITAL OUTLAYS																				
Annual Capital Outlays																				
Treatment	\$	15,000	\$	15,450	\$	15,914	\$	16,391	\$	16,883	\$	17,389	\$	17,911	\$	18,448	\$	19,002	\$	19,572
Distribution		-		-		-		-		-		-		-		-		-		-
Administration		-		-		-		-		-		-		-		-		-		-
Customer		-		-		-		-		-		-		-		-		-		-
Total	\$	15,000	\$	15,450	\$	15,914	\$	16,391	\$	16,883	\$	17,389	\$	17,911	\$	18,448	\$	19,002	\$	19,572
Total Capital Outlays																				
Treatment	\$	15,000	\$	15,450	\$	15,914	\$	16,391	\$	16,883	\$	17,389	\$	17,911	\$	18,448	\$	19,002	\$	19,572
Distribution		-		-		-		-		-		-		-		-		-		-
Administration		-		-		-		-		-		-		-		-		-		-
Customer		-		-		-		-		-		-		-		-		-		-
Total	\$	15,000	\$	15,450	\$	15,914	\$	16,391	\$	16,883	\$	17,389	\$	17,911	\$	18,448	\$	19,002	\$	19,572
DEBT SERVICE -- CURRENT																				
Principal & Interest	\$	113,120	\$	113,120	\$	113,120	\$	113,120	\$	56,560	\$	-	\$	-	\$	-	\$	-	\$	-
Reserve		-		-		-		-		-		-		-		-		-		-
TOTAL DEBT SERVICE -- CURRENT	\$	113,120	\$	113,120	\$	113,120	\$	113,120	\$	56,560	\$	-								
DEBT SERVICE -- FUTURE																				
Principal & Interest	\$	-	\$	73,085	\$	136,468	\$	136,635	\$	136,755	\$	136,828	\$	136,854	\$	136,833	\$	136,765	\$	136,650
Reserve		-		27,371		27,371		27,371		27,371		27,371		-		-		-		-
TOTAL DEBT SERVICE -- FUTURE	\$	-	\$	100,456	\$	163,839	\$	164,006	\$	164,126	\$	164,199	\$	136,854	\$	136,833	\$	136,765	\$	136,650
TOTAL COST OF SERVICE																				
TOTAL WW COST OF SERVICE	\$	1,246,350	\$	1,352,656	\$	1,469,973	\$	1,512,467	\$	1,500,104	\$	1,489,532	\$	1,510,037	\$	1,559,900	\$	1,611,859	\$	1,666,026
NON RATE REVENUES																				
TOTAL NON-RATE REVENUES	\$	206,985	\$	231,877	\$	451,640	\$	209,799	\$	215,650	\$	221,672	\$	227,870	\$	234,249	\$	240,816	\$	247,575
TOTAL REVENUE REQUIREMENT																				
TOTAL WASTEWATER REVENUE REQUIREME	\$	1,039,365	\$	1,120,779	\$	1,018,333	\$	1,302,668	\$	1,284,454	\$	1,267,861	\$	1,282,167	\$	1,325,651	\$	1,371,042	\$	1,418,451

10 Year Forecast 2018-2027	CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 4.0 -- Wastewater Service Cost Functionalization
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

OPERATING EXPENSES

WW Professional Services

Allocation Factor

Treatment	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%
Collection	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Administration	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Customer	<u>10.1%</u>									
Total	100.0%									

Total Cost

Treatment	\$ 230,584	\$ 239,210	\$ 248,230	\$ 257,670	\$ 267,551	\$ 277,901	\$ 288,748	\$ 300,121	\$ 312,052	\$ 324,575
Collection	231,144	239,790	248,833	258,295	268,201	278,576	289,449	300,850	312,809	325,363
Administration	57,646	59,802	62,058	64,417	66,888	69,475	72,187	75,030	78,013	81,144
Customer	<u>58,206</u>	<u>60,383</u>	<u>62,660</u>	<u>65,043</u>	<u>67,538</u>	<u>70,150</u>	<u>72,888</u>	<u>75,759</u>	<u>78,771</u>	<u>81,932</u>
Total	\$ 577,580	\$ 599,186	\$ 621,782	\$ 645,425	\$ 670,177	\$ 696,103	\$ 723,273	\$ 751,760	\$ 781,645	\$ 813,013

Wastewater General Operating

Allocation Factor

Treatment	43.8%	43.8%	43.8%	43.8%	43.8%	43.8%	43.8%	43.8%	43.8%	43.8%
Collection	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%
Administration	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Customer	<u>2.2%</u>									
Total	100.0%									

Total Cost

Treatment	\$ 236,800	\$ 229,702	\$ 243,225	\$ 251,199	\$ 259,448	\$ 267,981	\$ 276,810	\$ 285,947	\$ 295,402	\$ 305,189
Collection	238,600	231,448	245,074	253,108	261,420	270,018	278,914	288,120	297,647	307,509
Administration	53,550	51,945	55,003	56,806	58,672	60,601	62,598	64,664	66,802	69,015
Customer	<u>11,700</u>	<u>11,349</u>	<u>12,017</u>	<u>12,411</u>	<u>12,819</u>	<u>13,241</u>	<u>13,677</u>	<u>14,128</u>	<u>14,595</u>	<u>15,079</u>
Total	\$ 540,650	\$ 524,445	\$ 555,319	\$ 573,525	\$ 592,358	\$ 611,841	\$ 632,000	\$ 652,859	\$ 674,447	\$ 696,792

Total Wastewater Operating Exp.

Total Cost

Treatment	\$ 467,384	\$ 466,912	\$ 491,455	\$ 508,869	\$ 526,999	\$ 545,882	\$ 565,558	\$ 586,068	\$ 607,454	\$ 629,763
Collection	469,744	471,239	493,907	511,404	529,621	548,594	568,364	588,970	610,457	632,871
Administration	111,196	111,747	117,061	121,224	125,559	130,077	134,785	139,694	144,815	150,159
Customer	<u>69,906</u>	<u>71,733</u>	<u>74,678</u>	<u>77,455</u>	<u>80,357</u>	<u>83,391</u>	<u>86,565</u>	<u>89,887</u>	<u>93,366</u>	<u>97,011</u>
Total	\$ 1,118,230	\$ 1,123,630	\$ 1,177,101	\$ 1,218,951	\$ 1,262,535	\$ 1,307,944	\$ 1,355,272	\$ 1,404,619	\$ 1,456,092	\$ 1,509,805

10 Year Forecast 2018-2027	CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 4.0 -- Wastewater Service Cost Functionalization
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

CAPITAL OUTLAYS

Treatment	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572
Collection	-	-	-	-	-	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-
Total Capital Outlays	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572

DEBT SERVICE -- CURRENT

WW Debt Service										
Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection	113,120	113,120	113,120	113,120	56,560	-	-	-	-	-
Admin	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-
Total Debt Service -- Current	\$ 113,120	\$ 113,120	\$ 113,120	\$ 113,120	\$ 56,560	\$ -				

DEBT SERVICE -- FUTURE

WW Debt Service										
Treatment	\$ -	\$ 95,806	\$ 156,255	\$ 156,414	\$ 156,529	\$ 156,598	\$ 130,519	\$ 130,499	\$ 130,434	\$ 130,325
Collection	-	4,650	7,584	7,591	7,597	7,600	6,335	6,334	6,331	6,325
Admin	-	-	-	-	-	-	-	-	-	-
Customer	-	-	-	-	-	-	-	-	-	-
Total Debt Service -- Future	\$ -	\$ 100,456	\$ 163,839	\$ 164,006	\$ 164,126	\$ 164,199	\$ 136,854	\$ 136,833	\$ 136,765	\$ 136,650

TOTAL COST OF SERVICE

Total Wastewater Cost of Service										
Treatment	\$ 482,384	\$ 580,168	\$ 663,624	\$ 681,674	\$ 700,410	\$ 719,870	\$ 713,988	\$ 735,015	\$ 756,890	\$ 779,660
Collection	582,864	589,008	614,611	632,115	593,778	556,195	574,698	595,304	616,787	639,197
Admin	111,196	111,747	117,061	121,224	125,559	130,077	134,785	139,694	144,815	150,159
Customer	69,906	71,733	74,678	77,455	80,357	83,391	86,565	89,887	93,366	97,011
Total	\$ 1,246,350	\$ 1,352,656	\$ 1,469,973	\$ 1,512,467	\$ 1,500,104	\$ 1,489,532	\$ 1,510,037	\$ 1,559,900	\$ 1,611,859	\$ 1,666,026

<p><u>10 Year Forecast</u> 2018-2027</p>	<p>CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL</p>										
	Test Year	Forecast									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	

Forecast WW 5.0 -- WASTEWATER Cost Classification
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Total Wastewater Costs											
Treatment	\$ 482,384	\$ 580,168	\$ 663,624	\$ 681,674	\$ 700,410	\$ 719,870	\$ 713,988	\$ 735,015	\$ 756,890	\$ 779,660	
Collection	582,864	589,008	614,611	632,115	593,778	556,195	574,698	595,304	616,787	639,197	
Admin	111,196	111,747	117,061	121,224	125,559	130,077	134,785	139,694	144,815	150,159	
Customer	69,906	71,733	74,678	77,455	80,357	83,391	86,565	89,887	93,366	97,011	
Total Wastewater Costs	\$ 1,246,350	\$ 1,352,656	\$ 1,469,973	\$ 1,512,467	\$ 1,500,104	\$ 1,489,532	\$ 1,510,037	\$ 1,559,900	\$ 1,611,859	\$ 1,666,026	
Non-Administration Costs:											
Treatment	\$ 482,384	\$ 580,168	\$ 663,624	\$ 681,674	\$ 700,410	\$ 719,870	\$ 713,988	\$ 735,015	\$ 756,890	\$ 779,660	
Collection	582,864	589,008	614,611	632,115	593,778	556,195	574,698	595,304	616,787	639,197	
Customer	69,906	71,733	74,678	77,455	80,357	83,391	86,565	89,887	93,366	97,011	
Sub-Total	\$ 1,135,154	\$ 1,240,909	\$ 1,352,913	\$ 1,391,244	\$ 1,374,544	\$ 1,359,456	\$ 1,375,252	\$ 1,420,206	\$ 1,467,043	\$ 1,515,867	
Allocation Percentages:											
Treatment	42.50%	46.75%	49.05%	49.00%	50.96%	52.95%	51.92%	51.75%	51.59%	51.43%	
Collection	51.35%	47.47%	45.43%	45.44%	43.20%	40.91%	41.79%	41.92%	42.04%	42.17%	
Customer	6.16%	5.78%	5.52%	5.57%	5.85%	6.13%	6.29%	6.33%	6.36%	6.40%	
Sub-Total	100.00%										
Allocation of Administration											
Treatment	\$ 47,253	\$ 52,246	\$ 57,420	\$ 59,396	\$ 63,980	\$ 68,879	\$ 69,976	\$ 72,298	\$ 74,714	\$ 77,232	
Collection	57,095	53,042	53,179	55,078	54,239	53,218	56,325	58,555	60,884	63,318	
Customer	6,848	6,460	6,461	6,749	7,340	7,979	8,484	8,841	9,216	9,610	
Total	\$ 111,196	\$ 111,747	\$ 117,061	\$ 121,224	\$ 125,559	\$ 130,077	\$ 134,785	\$ 139,694	\$ 144,815	\$ 150,159	
Total WW Cost of Service											
Treatment	\$ 529,637	\$ 632,413	\$ 721,044	\$ 741,070	\$ 764,390	\$ 788,749	\$ 783,965	\$ 807,312	\$ 831,604	\$ 856,891	
Collection	639,959	642,050	667,790	687,193	648,017	609,413	631,023	653,859	677,672	702,514	
Customer	76,754	78,192	81,139	84,203	87,697	91,370	95,049	98,729	102,583	106,621	
Total	\$ 1,246,350	\$ 1,352,656	\$ 1,469,973	\$ 1,512,467	\$ 1,500,104	\$ 1,489,532	\$ 1,510,037	\$ 1,559,900	\$ 1,611,859	\$ 1,666,026	
Allocation of Non-Rate Revenues											
Treatment	\$ 87,958	\$ 108,411	\$ 221,536	\$ 102,796	\$ 109,886	\$ 117,381	\$ 118,303	\$ 121,234	\$ 124,244	\$ 127,336	
Collection	106,280	110,063	205,174	95,323	93,157	90,693	95,224	98,190	101,246	104,395	
Customer	12,747	13,404	24,930	11,680	12,607	13,598	14,343	14,826	15,326	15,844	
Total	\$ 206,985	\$ 231,877	\$ 451,640	\$ 209,799	\$ 215,650	\$ 221,672	\$ 227,870	\$ 234,249	\$ 240,816	\$ 247,575	
Total Wastewater Classification											
Treatment	\$ 441,678	\$ 524,003	\$ 499,508	\$ 638,274	\$ 654,504	\$ 671,368	\$ 665,662	\$ 686,079	\$ 707,360	\$ 729,555	
Collection	533,680	531,988	462,616	591,871	554,860	518,720	535,800	555,669	576,426	598,119	
Customer	64,007	64,788	56,210	72,523	75,090	77,772	80,706	83,903	87,256	90,777	
Total	\$ 1,039,365	\$ 1,120,779	\$ 1,018,333	\$ 1,302,668	\$ 1,284,454	\$ 1,267,861	\$ 1,282,167	\$ 1,325,651	\$ 1,371,042	\$ 1,418,451	

CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL											
10 Year Forecast											
2018-2027	Test Year	Forecast									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	

Forecast WW 6.0 -- Customer and Volume Totals
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

WASTEWATER BILLING UNITS

Customer Class Units – Base Annual Fixture Count

Residential	283,173	291,668	336,866	340,235	343,637	347,073	350,544	354,050	357,590	361,166
Commercial	63,543	65,449	66,104	66,765	67,432	68,107	68,788	69,475	70,170	70,872
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	346,715	357,117	402,969	406,999	411,069	415,180	419,332	423,525	427,760	432,038

Percent of Total

Residential	81.67%	81.67%	83.60%	83.60%	83.60%	83.60%	83.60%	83.60%	83.60%	83.60%
Commercial	18.33%	18.33%	16.40%	16.40%	16.40%	16.40%	16.40%	16.40%	16.40%	16.40%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%									

Net Fixture Count after Minimum

Residential	283,173	291,668	336,866	340,235	343,637	347,073	350,544	354,050	357,590	361,166
Commercial	63,543	65,449	66,104	66,765	67,432	68,107	68,788	69,475	70,170	70,872
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	346,715	357,117	402,969	406,999	411,069	415,180	419,332	423,525	427,760	432,038

CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL										
<u>10 Year Forecast</u> 2018-2027	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 6.0 -- Customer and Volume Totals
Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

WASTEWATER CUSTOMER CLASSES

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Bills										
Residential	11,481	11,826	13,658	13,795	13,933	14,072	14,213	14,355	14,498	14,643
Commercial	894	920	930	939	948	958	967	977	987	997
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	12,375	12,746	14,588	14,733	14,881	15,030	15,180	15,332	15,485	15,640
Percentage of Total										
Residential	92.78%	92.78%	93.63%	93.63%	93.63%	93.63%	93.63%	93.63%	93.63%	93.63%
Commercial	7.22%	7.22%	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%									
Total Customers										
Residential	957	985	1,138	1,150	1,161	1,173	1,184	1,196	1,208	1,220
Commercial	74	77	77	78	79	80	81	81	82	83
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	1,031	1,062	1,216	1,228	1,240	1,252	1,265	1,278	1,290	1,303
New Customers										
Residential		29	153	11	11	12	12	12	12	12
Commercial		2	1	1	1	1	1	1	1	1
Class		-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-
Class		-	-	-	-	-	-	-	-	-
Total System		31	153	12	12	12	13	13	13	13
Avg. Fixtures/Customer/Month										
Residential	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66	24.66
Commercial	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12	71.12
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	28.02	28.02	27.62							

<p>10 Year Forecast 2018-2027</p>	<p>CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL</p>									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Percent of Total Fixture Count

Residential	81.67%	81.67%	83.60%	83.60%	83.60%	83.60%	83.60%	83.60%	83.60%	83.60%	83.60%
Commercial	18.33%	18.33%	16.40%	16.40%	16.40%	16.40%	16.40%	16.40%	16.40%	16.40%	16.40%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%										

Total Collection/Treatment Costs

Residential	\$ 796,604	\$ 862,459	\$ 804,296	\$ 1,028,350	\$ 1,010,979	\$ 994,865	\$ 1,004,372	\$ 1,038,050	\$ 1,073,192	\$ 1,109,881
Commercial	178,754	193,532	157,828	201,794	198,385	195,223	197,089	203,698	210,593	217,793
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	975,358	1,055,991	962,124	1,230,145	1,209,364	1,190,088	1,201,461	1,241,748	1,283,786	1,327,674

<p>10 Year Forecast 2018-2027</p>	<p>CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL</p>									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Percent of Total Customer Bills

Residential	92.78%	92.78%	93.63%	93.63%	93.63%	93.63%	93.63%	93.63%	93.63%	93.63%
Commercial	7.22%	7.22%	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Class	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total System	100.00%									

Total Customer Costs

Residential	\$ 59,385	\$ 60,110	\$ 52,628	\$ 67,902	\$ 70,305	\$ 72,817	\$ 75,563	\$ 78,556	\$ 81,696	\$ 84,992
Commercial	4,622	4,678	3,582	4,621	4,785	4,956	5,143	5,346	5,560	5,784
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	64,007	64,788	56,210	72,523	75,090	77,772	80,706	83,903	87,256	90,777

Total Revenues to be Raised from Rates

Residential	\$ 855,989	\$ 922,569	\$ 856,924	\$ 1,096,253	\$ 1,081,284	\$ 1,067,682	\$ 1,079,936	\$ 1,116,607	\$ 1,154,889	\$ 1,194,873
Commercial	183,376	198,210	161,409	206,415	203,170	200,179	202,231	209,044	216,153	223,577
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Class	-	-	-	-	-	-	-	-	-	-
Total System	1,039,365	1,120,779	1,018,333	1,302,668	1,284,454	1,267,861	1,282,167	1,325,651	1,371,042	1,418,451

10 Year Forecast 2018-2027	CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL									
	Test Year 2018	Forecast 2019	2020	2021	2022	2023	2024	2025	2026	2027

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

Total Cost by Customer Class

Total System

Volumetric Rate Calculation:

Total Cost of Service	\$	1,039,365	\$	1,120,779	\$	1,018,333	\$	1,302,668	\$	1,284,454	\$	1,267,861	\$	1,282,167	\$	1,325,651	\$	1,371,042	\$	1,418,451
Total Fixtures		346,715		357,117		402,969		406,999		411,069		415,180		419,332		423,525		427,760		432,038
Rate Per Fixture		3.00		3.14		2.53		3.20		3.12		3.05		3.06		3.13		3.21		3.28

Residential

Volumetric Rate Calculation:

Total Cost of Service	\$	855,989	\$	922,569	\$	856,924	\$	1,096,253	\$	1,081,284	\$	1,067,682	\$	1,079,936	\$	1,116,607	\$	1,154,889	\$	1,194,873
Total Fixtures		283,173		291,668		336,866		340,235		343,637		347,073		350,544		354,050		357,590		361,166
Rate Per Fixture		3.02		3.16		2.54		3.22		3.15		3.08		3.08		3.15		3.23		3.31

Commercial

Volumetric Rate Calculation:

Total Cost of Service	\$	183,376	\$	198,210	\$	161,409	\$	206,415	\$	203,170	\$	200,179	\$	202,231	\$	209,044	\$	216,153	\$	223,577
Total Fixtures		63,543		65,449		66,104		66,765		67,432		68,107		68,788		69,475		70,170		70,872
Rate Per Fixture		2.89		3.03		2.44		3.09		3.01		2.94		2.94		3.01		3.08		3.15

Class

Volumetric Rate Calculation:

Total Cost of Service	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Fixtures		-		-		-		-		-		-		-		-		-		-
Rate Per Fixture		-		-		-		-		-		-		-		-		-		-

<p>10 Year Forecast 2018-2027</p>	<p>CAMP VERDE SANITARY DISTRICT WASTEWATER COST OF SERVICE MODEL</p>									
	Test Year	Forecast	2020	2021	2022	2023	2024	2025	2026	2027
	2018	2019								

Forecast WW 7.0 -- WASTEWATER Cost of Service by Customer Class

Scenario: Scenario 1 - \$2.5 Mill Revenue Bond

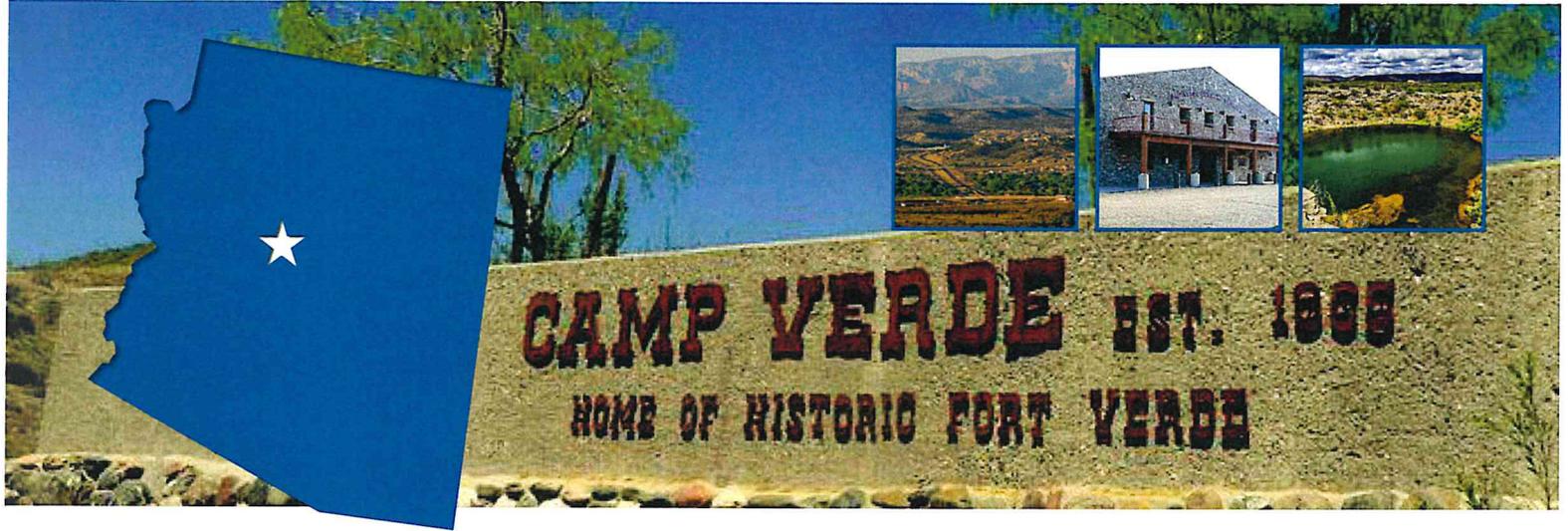
Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Volumetric Rate Calculation:										
Total Cost of Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fixtures	-	-	-	-	-	-	-	-	-	-
Rate Per Fixture	-	-	-	-	-	-	-	-	-	-

Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Volumetric Rate Calculation:										
Total Cost of Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fixtures	-	-	-	-	-	-	-	-	-	-
Rate Per Fixture	-	-	-	-	-	-	-	-	-	-

Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Volumetric Rate Calculation:										
Total Cost of Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fixtures	-	-	-	-	-	-	-	-	-	-
Rate Per Fixture	-	-	-	-	-	-	-	-	-	-

Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Volumetric Rate Calculation:										
Total Cost of Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fixtures	-	-	-	-	-	-	-	-	-	-
Rate Per Fixture	-	-	-	-	-	-	-	-	-	-

Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Volumetric Rate Calculation:										
Total Cost of Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fixtures	-	-	-	-	-	-	-	-	-	-
Rate Per Fixture	-	-	-	-	-	-	-	-	-	-



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TABLE ES-5

TOWN OF CAMP VERDE						
	Current	Effective Apr-18	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22
Residential Monthly Charges						
Percent Adjustment		12.00%	15.00%	4.00%	2.00%	2.00%
Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge -- Per Fixture	2.25	2.52	2.90	3.01	3.07	3.14
<hr/>						
Avg Bill -- 18 Fixtures	\$ 40.50	\$ 45.36	\$ 52.16	\$ 54.25	\$ 55.34	\$ 56.44
Increase/Decrease		4.86	6.80	2.09	1.09	1.11

TABLE ES-6

TOWN OF CAMP VERDE						
	Current	Effective Apr-18	Effective Jan-19	Effective Jan-20	Effective Jan-21	Effective Jan-22
Commercial Monthly Charges						
Percent Adjustment		12.00%	15.00%	4.00%	2.00%	2.00%
Minimum Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charge -- Per Fixture	3.50	3.92	4.51	4.69	4.78	4.88
<hr/>						
Avg Bill -- 70 Fixtures	245.00	274.40	315.56	328.18	334.75	341.44
Increase/Decrease		29.40	41.16	12.62	6.56	6.69

Project Estimates:					
Project Title	Phase Title	Attached Proposal or Estimation Title	Proposal \$	Construction \$	Project Total \$
Sludge Drying Beds:					
Drying Beds & Large Surface Drying Area	Design Completion & Construction	Drying Beds & Large Surface Drying Areas Estimate		\$906,810	\$906,810
Sludge Pumps in Vaults/Slabs & Controls	Design Completion & Construction	Sludge Pump, Controls, & Pump Slab Estimate		\$110,400	\$110,400
Yard Piping for Sludge/Decant	Yard Piping Installation for Sludge Handling	Sludge yard Piping Estimate		\$30,000	\$30,000
Sludge Lagoons:					
Lagoon Closure West & Testing	West Lagoon Closure & Testing	West Lagoon Closure Estimate		\$100,000	\$100,000
Repurpose Lagoons to Drying Lagoons	Lagoon Repurpose Design Completion & Construction	Lagoon Repurposing Estimate		\$180,000	\$180,000
Lagoon Liner	Lagoon liner Install	Lagoon Liner Estimate		\$75,000	\$75,000
Plant Modifications:					
Header Pipe Replacement/Repair	Spec & Construction	Engineer's Estimate		\$75,000	\$75,000
Tankage Surface Inspection & Repair	Spec & Construction	Engineer's Estimate		\$40,000	\$40,000
Clarifier & Sludge Return/Wasting Modifications	Spec & Construction	Engineer's Estimate		\$485,000	\$485,000
Fire Main to WWTP:					
Fire Main back to Treatment Plant	Construction of 6" reclaim water fire main	Engineer's Estimate		\$105,000	\$105,000
Solar Installation:					
Installation of Photovoltaic System	Design/Build	Wendell Solar System Estimation	\$500,000		\$500,000
UV Disinfection:					

Purchase and Installation of UV Disinfection System	Purchase & Installation	Enaqua Supplier Estimate both Phase I & Phase II	\$317,500	\$2,500	\$320,000
Project Estimates:					
Project Title	Phase Title	Attached Proposal or Estimation Title	Proposal \$	Construction \$	Project Total \$
Lift Sta. Upgrades:					
Lift Station Variable Frequency Drives	Spec & Installation	Attached Proposal	\$27,000		\$27,000
Lift Station Back-Up Rotation Pump	Spec & Installation	Attached Proposal	\$58,828.60	\$21,171.40	\$80,000
Lift Station SCADA	Spec & Installation	Attached Prop/Estimate	\$5,443.11	\$24,556.89	\$30,000
Truck Fill Station:					
Reclaim Water Truck Filling Station	Purchase & Install	Attached Proposals	\$34,000	\$16,000	\$50,000
Chlorine Canopy	Purchase & Install	Attached Proposal	\$27,959	\$15,041	\$43,000
Overall Project Total					\$3,157,210



Agenda Item Submission Form – Section I

Meeting Date: March 21, 2018

Consent Agenda Decision Agenda Executive Session Requested

Presentation Only Action/Presentation Special Session

Requesting Department: Public Works – Parks & Recreation Division

Staff Resource/Contact Person: Michael Marshall

Agenda Title (be exact): Discussion and possible approval of Parks & Recreation Division Facility Use & Fee Standards Policy.

List Attached Documents: Parks & Recreation Division Facility Use & Fee Standards Policy and Memo of Proposed amendment to Fee Schedule applicability and scheduling.

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 10 minutes

Reviews Completed by:

Department Head: reviewed by Ron Long Town Attorney Comments:

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

Fiscal impact:

Budget Code: _____ *Amount Remaining:* _____

Comments:

Background Information: Heavy use of some facilities by some users limit availability for other uses and result in reduced revenue. Fees approved by Town Council including user Categories do not include adjustments for heavy users and/or out of Town users.

Recommended Action (Motion): Move to approve Parks & Recreation Division Facility Use & Fee Standards Policy.

Instructions to the Clerk:

Town of Camp Verde
Parks & Recreation Division
Facility Use & Fee Standards Policy

Applicability: This document provides guidance and direction for decision making concerning scheduling and assessment of fees for individuals, groups, organizations and businesses requesting use of Camp Verde Parks & Recreation facilities. This is to be used in conjunction with the Fee Schedule approved by Town Council.

Facility Use Agreements: Organizations having Facility Use Agreements or Partner Agreements with the Town shall not be governed by these proposed provisions but rather by the terms of those agreements.

Fees: Fees for use of Parks & Recreation meeting rooms, fields and equipment etc., collectively referred to as Facilities, are established and approved by the Camp Verde Town Council for various classes of groups, businesses and individuals. Fees are reviewed by the Division and approved by the Town Council annually.

Scheduling: Scheduling of Parks & Recreation Facilities is handled by Parks & Recreation based on operational priorities, capabilities and availability as detailed in Division policies and procedures.

Fee & scheduling adjustments/limitations: In order to increase availability of meeting rooms, fields and equipment, Parks & Recreation the following adjustments and limitations are added to the fee schedule and scheduling priority matrix.

Meeting rooms: The following policies apply:

- During each calendar quarter, groups, organizations and individuals are limited to 12 discrete periods of use and/or 24 hours of scheduled time at the corresponding fee for their classification for meeting rooms.
- Additional periods of use and/or time, if available, will be billed at the next higher classification rate. E.g. a Class A organization requesting additional time over the 12 periods and/or 24 hours would have those hours, if available, billed at the Class B rate.
- Approval for these additional periods and/or hours shall be based on availability as determined by Parks & Recreation. A higher priority shall be applied to requests from organizations, groups, individuals and businesses which have not exceeded the 12/24 limit.
- Requesting rooms under different names for the same actual function or group in order to circumvent this provision is not allowed.

Fields & equipment: If scheduling of fields and equipment becomes a problem, Parks & Recreation reserves the right to apply adjustments and limitations similar to those listed above for meeting rooms.

- Partner organizations may be exempted from some or all of these adjustments and limitations and will receive priority due to their status.

Non-residents organizations & individuals: Organizations and individuals who are not residents of Camp Verde or whose use does not provide a benefit to Camp Verde residents requesting meeting rooms, fields or equipment shall be governed by the following policy:

- Facility use will be billed at the next higher classification rate. E.g. a Class A organization requesting facility use would have those hours, if available, billed at the Class B rate.
- Parks & Recreation shall determine if an organization or individual's requested use benefits Camp Verde residents in a way to exempt them from this additional charge.

Camp Verde Parks & Recreation

To: Camp Verde Town Council

From: Michael Marshall, P & R Manager

Subject: Proposed amendment to Fee Schedule applicability and scheduling

Date: 2/15/2018

Statement of problem: Parks & Recreation has some concerns with the current scheduling and fee standards application for groups using our facilities including meeting rooms and sports fields in two areas. This concern does not apply to groups with Facility Use Agreements approved by Council such as Bread of Life or Partner organizations such as Little League. It also does not apply to Class C users.

The first area of concern is the heavy use of certain meeting rooms by groups paying no fees. These groups categorized as Class A organizations do not pay any fees to utilize the spaces, regardless of the frequency or duration. This results in some users scheduling 4 – 6 hours per week year round or for several months in a space, frequently on a weekend. This reduces the availability of the spaces for other occasional users such as ditch organizations and general public use for birthdays, baby showers and the like. It also reduces the fees potentially collected from these other users.

The second area of concern involves use of facilities, especially sports fields, by groups without connection to Camp Verde with uses that provide no direct or indirect benefit to Camp Verde and its residents. We have organizations that are categorized as Class A who come to Camp Verde for meetings and sports practice due to our location and climate without another Camp Verde connection.

Intent of solution: Our intention is to leave unaffected the casual or limited user of our facilities as well as organizations based in or related to Camp Verde.

Proposed solution: The attached proposed Facility Use & Fee Standards Policy details the solution but the following summarizes the proposed solution. Again this does not apply to users with Facility Use Agreements or Partner Agreements or Class C users.

- Limit the number of uses by any particular group or individual in a calendar quarter before requiring them to pay a higher fee.
 - o Users would be limited to 12 uses and/or 24 hours per quarter at their regular categorized Class: A or B rate.
 - o Additional scheduled use, if available, would be assessed at the next higher rate.
 - o When determining additional availability, priority will be given to users who have not met their use limits.
- Change the fee assessed to groups and individuals with no Camp Verde connection or benefit to the next higher classification.
 - o Parks & Recreation would be generous in determining if the group or individual's scheduled use is related to or benefiting Camp Verde or its residents.

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Agenda Item Submission Form – Section I

Meeting Date: March 21, 2018

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Special Session

Requesting Department: Public Works – Parks & Recreation Division & Waste Water Division

Staff Resource/Contact Person: Michael Marshall

Agenda Title (be exact): Discussion and possible approval of new road names for park entrance road and road to Waste Water Treatment Plant (WWTP).

List Attached Documents: None

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 5 minutes

Reviews Completed by:

Department Head: reviewed by Ron Long Town Attorney Comments:

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

Fiscal impact:

Budget Code: _____ *Amount Remaining:* _____

Comments:

Background Information: The current entrance road into the WWTP will also be the entrance road into the new Camp Verde Sports Complex. The current entrance road will be extended into the sports complex and continue to S. McCracken Ln. The road to the WWTP will be realigned as a side road off the main entrance road. Currently the WWTP uses 1000 E SR 260 or Pine-Payson Highway as an address. We are proposing that the road extending from Rte. 260 into and through the Sports Complex to S. McCracken Ln. be named "Champion Way" with "Creosote Way" as an alternative and the side road to the WWTP be named "Honey Wagon Trail" with "Wagon Boss Way" as an alternative.

Recommended Action (Motion): Move to approve "Champion Way" and "Honey Wagon Trail" as the names for access roads to the Sports Complex and WWTP respectively.

Instructions to the Clerk:

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Agenda Item Submission Form – Section I

Meeting Date:

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Work Session

Requesting Department: Marshal's Office

Staff Resource/Contact Person: Russ Martin/Brian Armstrong

Agenda Title (be exact): Request for authorization for the Marshal's Office to apply for grant funding from the Governor's Office of Highway Safety (GOHS), Arizona Community Foundation (ACF), and the Department of Homeland Security (DHS) to pay for equipment and personnel expenses to be incurred in FY 2018-2019.

List Attached Documents:

Estimated Presentation Time: 10 Minutes

Estimated Discussion Time: 10 Minutes

Reviews and comments Completed by:

- Town Manager: _____ Department Head: Brian Armstrong
- Town Attorney Comments: _____
- Risk Management: _____
- Finance Department
Fiscal Impact:
Budget Code: _____ Amount Remaining: _____
Comments: _____

Background Information:

The Marshal's Office is seeking to apply for funding through several grant sources to pay for equipment and personnel overtime expenses for several projects, which will not require matching funds on the part of the Town. The Marshal's Office has applied for several of these grants in past years and has been awarded similar grants in several cases.

Governor's Office of Highway Safety (GOHS) – There are four separate grant opportunities from GOHS.

1. **Impaired Driving grant – AL#1.** Request for \$4000 for overtime expenses to conduct DUI Saturation and Enforcement in and around the Town of Camp Verde. CVMO has requested and received this grant funding for the last several fiscal years. There is no obligation to match funds.

2. **Impaired Driving grant – AL#2.** Request for \$36,463 to purchase a 2018 Chevrolet Tahoe police package patrol vehicle to be used for DUI Enforcement, traffic enforcement, and accident investigations by the traffic unit (Deputy Richardson) and to transport the equipment used in serious injury and fatal traffic collision investigations. If awarded, this would allow the Tahoe currently used by Richardson to be used by patrol and eliminate the need for the Town to purchase a new vehicle for patrol. Patrol has several Crown Victoria patrol cars in need of replacement, and we could avoid replacing one if awarded. This is a new grant request with no obligation to match funds.
3. **Traffic Services/Speed Control grant – PTS#1.** Request for \$8,000 for overtime expenses to conduct specific traffic related enforcement in and around the Town of Camp Verde. CVMO has requested and received this grant funding for the last several fiscal years. There is no obligation to match funds.
4. **Traffic Services/Speed Control grant – PTS#2.** Request for \$6,855 to purchase three hand-held Lidar "laser" speed detection units for better target acquisition of speeding vehicles. The Lidar units provide for a more narrowly focused beam for pinpointing speeding vehicles in high traffic volume locations over conventional radar units. This is a new grant request with no obligation to match funds.

Arizona Community Foundation

5. **Janet Coddling Law Enforcement Canine Fund.** Request for \$3,800 to purchase K-9 specific equipment and training for the CVMO canine unit. CVMO has requested and received this grant funding for the last several fiscal years. There is no obligation to match funds.

Department of Homeland Security

6. **Department of Homeland Security grant.** Request for \$14,269 to purchase protective equipment. The request is for 5 portable ballistic shields and 18 ballistic helmets for tactical response to active shooter and violent situations. CVMO has requested and received this grant funding for the last several fiscal years. There *may* be an obligation to match up to 25% of the total cost (\$3,567) as a condition of acceptance.

Recommended Action (Motion):

Move to approve the Marshal's Office applying for grant funding from the Governor's Office of Highway Safety (GOHS), Arizona Community Foundation (ACF), and the Department of Homeland Security (DHS) to pay for equipment and personnel expenses to be incurred in FY 2018-2019.

Instructions to the Clerk: